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22 August 1985

WEST EUROPE REPORT

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POLITICAL

BELGIUM

TOP PARTY FIGURES VIE FOR VOTES IN BRUSSELS

Brussels KNACK in Dutch 12 Jun 85 pp 12-15

[Article by Frans Verleyen: "In Brussels Everything Has Changed"]

[Text] With the decline of quite a few old stars and the advent of a couple of newcomers from the top political ranks, Brussels will have extremely spicy elections this year. Here more than anywhere else the overall government policy will be put on the rack. A look at the attention getters.

Approximately 900,000 votes are hidden in Brussels-Halle-Vilvoorde, the largest electoral district in the country. The remainder of the province of Brabant has only half a million. Hence, it really does involve an important electoral center: in the next election 33 parliamentary seats will be allocated here: due to demography, a single seat less than in the parliamentary elections of 8 November 1981.

The district is spread out rather widely, densely populated and bilingual. Because the Flemish politicians still have not divided Brussels-Halle-Vilvoorde into a homogeneous Flemish language district and a bilingual electoral district (which nevertheless could be done with a simple parliamentary majority), the people of Schepdaal, Sint-Ulrikskapelle, Liederkerke, Galmaarden, Gooik and Zemst still have to vote on a bilingual ballot. The electoral arm of the capital reaches nearly as far as the city walls of Oudenaarde, Mechelen and Dendermonde.

This may perhaps explain why the Brussels area has of old been cherished so much as a jousting field for many big shots from national partisan politics. Vanden Boeynants, Simonet, Vic Anciaux, Robert Henrion... They seldom held meetings here about regional problems, but often considered their electorate as privileged witnesses to national discussions. This will once again be the case now. SP [Socialist Party (Flemish)] list head Karel van Miert, who was born in Campine, will have to use the 1985 election year for a major Brabant duel with Jean Gol (PRL [Liberal Reform Party (Walloon)]), his ideological counterpart from Liege. In the same effort he will also cross swords with former socialist frontman Henri Simonet, who has now put his name in second place on the French speaking liberal list and thus may well become the comrade in arms of the Poujadist communist Roger Nols, unless the latter can find another list on the accommodation ladder on which he could make himself noticed.

And, for lack of a non-Walloon prominent figure, the PSC [Social Christian Party (Walloon)] will probably also despatch its party President Gerard Deprez, while a number of figure heads of the collapsed FDF [Democratic Front of Brussels French Speakers] are scattering in all directions and looking for a safe spot on a traditional list. Thus the mayor of Etterbeek, Leon Defosset, and the subtle intellectual Serge Moureaux will find shelter on the PS [Socialist Party (Walloon)] list of (brother) Philippe Moureaux, list head for the House, and of the bearded Francois Guillaume, leader for the Senate. Yet, an original FDF list will very likely have to remain, with such figures as Antoinette Spaak, Andre Lagasse or Georges Clerfayt, the Palestinian of the border municipalities.

On the Sofa

The previous march to the ballot box took place less than 4 years ago, but yet it already seems to belong to pre-history. Paul Vanden Boeynants was still there, and Michel Graindorge obtained more than 2,000 votes with his Direct Democracy [DD] list. Anne-Marie Neyts-Uyttebroeck (PVV [Party of Liberty and Progress (Flemish)]) was still an unsuspecting young girl with 1,390 preferential votes. Guy Cudell, who is now heading for the age limit, had not yet been carried off under questionable circumstances. Jos Chabert (CVP [Social Christian Party (Flemish)]), who has not been seen much in Brabant during the last 6 months and will be stuck in Japan until the end of the month as general commissioner at the World Exposition in Tsukuba, as a matter of fact turned out to be the champion of preferential votes: 46,858 pencil marks behind his name. Other old stars were already on the decline then. Leon Defosset (FDF), for example, lost 17,000 preferential votes at once, three-quarters of his supporters.

As a matter of fact, in the Brussels-Halle-Vilvoorde district it is possible to build a shining political reputation with suspiciously few preferential votes. At the height of his prestige in 1978 someone like Lucian Outers only had about 4,000 voters behind him, and in 1981 the exact count had dropped down to 2,360. Well known names such as Basile Risopoulos (2,309), Mayor Herve Brouhon (2,245), Ernest Mandel (193), Jose Desmaret (4,675) or Louis Van Geyt (3,243) often seemed to have much less power of attraction than undistinguished grassroots politicians who are much less talked about. Thus, last time CVP member Georges Cardoen obtained more than 8,200 preferential votes, more than Secretary of State Paul De Keersmaeker whom everyone expects to be allocated first place on the CVP parliamentary list this week.

He will, however, have passed the litmus test of a poll on 14 June. Even though it will not have been too tough, because CVP members cannot do much more than alter the order of the candidates eligible beforehand. On the other hand there is the fact that virtually not a single other party dared to risk the complications of a broad consultation of its members. The PVV as well as the VU [People's Union] and the SP had the delicate balances in the composition of their lists determined by political agencies or colleges which depend on sofa talks. For the PVV, which only has 1,500 members within the Brussels agglomerations (one-tenth of the strength in the district as a whole), a poll by letter simply costs too much in terms of stamps. The VU prefers a broad

consultation of the divisions and of their 150 delegates or thereabouts over a cumbersome participation by all party members. The same goes for the SP and most Brussels parties which do not have much of a polls tradition.

Merciless

Whatever the case may be, in 1981 the picture was still naturally dominated by Paul Vanden Boeynants and Antoinette Spaak, although at that time both of these personalities were already on the way down. Willy De Clercq and Jean Gol both were still party presidents. The CVP ranks were frightened by a somewhat obscure meeting of the establishment on a Flandria boat in Antwerp. Henri Simonet was accused of being ideologically lukewarm because he seemed to be following Nols in his cool treatment of immigrants and because, as mayor of Anderlecht, he sent out letters of support for his ULB [Free University of Brussels] colleague Professor Jaumotte who was a candidate on the senatorial list of the PRL. The CVP was still expecting salvation from its JET [Youth, Economy, Future] program, from which later on the income cut policy would be derived, but which did not appeal to the voters of whom one out of every four left the party and would thus bring an historic defeat to Flemish Christian democracy. As a matter of fact, that year the opinion polls turned out to be rather unreliable; they did anticipate the trends but in the end those trends proved to be carried through much more radically than anyone would have considered possible.

In Brussels-Halle-Vilvoorde no less than 24 (of which 11 were complete) House lists, with a total of 677 candidates, were filed with such bizarre novelties as the Belgian National Party; the Feminist Party; New Forces; DD with the trial personalities Graindorge, Jos De Man and Odette Haas; BLANCO [expansion unknown], the party of the eternal lawyer Daniel Deconinck (still good for more than 4,000 votes) and five variants of green parties. In addition there were 19 lists for the Senate. As a matter of fact, the organizers of the elections (the Ministry of the Interior and the courts) received complaints that the ballots were longer than the length of the small chains to which the voter's pencil was attached. The matter nearly went to court. In terms of the PS household garbage baron Constant Verhasselt, who had gone over earlier from the FDF, it even led to direct legal problems and an arrest following serious and vulgar squatter incidents.

In 1981 the political position of CVP Minister Jean Luc Dehaene had also been arranged beforehand. He did not participate in the ballot fight but was sure beforehand of being coopted as a provincial senator. This year the minister of social affairs is playing somewhat more recklessly. He placed himself at the top of the substitutes. Thus he can still harvest many votes but, if that were to be a disappointment, he could point to the modesty of his electoral role.

This caution is actually surprising when you consider how high the stakes of the game are which will be played a few months from now between the CVP and Karel Van Miert's SP. The Christian democratic side has announced a "merciless" campaign and it may not leave any room for a Christian-socialist coalition later on. In view of the latest opinion polls it will be an exciting

business. After apparently having sheltered the largest opinion movement in Flanders by far in late March, the SP race has since then become a neck-and-neck race. An unpublished poll taken during the second week of May gave both the SP and the CVP about 27 percent of the votes in Flanders. As a matter of fact, the nearly 30 percent increase of the SP share and the doubling of Green Party supporters have occurred at the expense of both the VU and the PVV. The People's Union remains stuck with a negative status quo and Guy Verhofstadt has seen his electoral troops dwindle by about a quarter. But he is working on a fairly good recovery operation: a month earlier he had lost virtually half.

Inheritance

Since Guy Verhofstadt succeeded Willy De Clercq, Karel Van Miert is the only Flemish party president who is not a member of the Belgian parliament. In the past, as elected representative to Strasbourg, he has often said that a party leader does not have to be a member of the House or a senator. However, since his major victory in last year's European elections the pressure has become too great. In February the news leaked out (somewhat earlier than he himself would have liked) that he would go to Brussels anyhow and give up Strasbourg. There was talk that he would choose Antwerp or Louvain as battleground, but tactical considerations eventually led him to lean toward Brussels-Halle-Vilvoorde. As a matter of fact, in those days there were whispers about Leo Tindemans also descending on the capital to fight the last electoral battle of his career there. Furthermore, it is not excluded as yet that EC Commissioner Willy De Clercq may appear as a substitute on the Brussels PVV list. He only has to say yes and might then be able to land a couple thousand lost blue sheep.

The SP president, to whom many eyes are turned, will definitely not conduct a regional campaign. He carries the full weight of the national debate concerning an alternative to the policy of the Martens V administration. He realizes that the voters expect him to put "an end to income cuts" and that the SP offers a kind of natural guarantee for the recovery or maintenance of purchasing power. But now that the national finances are in such bad shape, he does not dare stress the income policy the way the SP looks at it. Even more: "How will a future government be able to reduce the special powers without invoking special powers itself?"

De Keersmaeker

Van Miert is already stuck beforehand with an inheritance problem, and the socialist union base which reflects greatly on the SP, is apparently not very much aware of it. Hence the party president, who will end his eighth year in office on 27 June, will have to ride and look back in his verbal fights with Paul De Keersmaeker, Jean Gol and perhaps even VU list head Vic Anciaux who has recently allowed himself to flow softly away from the SP in order no longer to be accused of having scarlet fever.

Because of Van Miert, SP Minister Roger De Wulf has moved to the first place on the Senate list. The rest of the SP candidates do not represent much, except perhaps for the young Leo Peeters, an up and coming man who as youngest mayor in the country actually won as near an absolute majority as possible in

Kapellen-op-den-Bos. There is also the Red Lioness Lydia De Pauw-Deveen who, if she is not elected to the Senate (second place), will be coopted for the provincial council.

At the PVV not everything is completely clear yet. Perhaps still this month the political office will distribute the eligible positions. It is virtually certain that Anne-Marie Neyts-Uyttebroeck will head the list for the House elections (next week she will publish her book "Tussen Halle en Vilvoorde" [Between Halle and Vilvoorde] and she holds a virtually absolute majority among the nearly 40 representatives), but there is a problem for the Senate. So far it has been led by the popular Jan Bascour (in 1981 he obtained more than 17,000 preferential votes) but this incumbent has not been heard from very much in recent years. Now, he is barring the road for the mayor of Zaventem, Francis Vermeiren (last time he obtained 7,300 preferential votes), who is said to be in full ascendancy and is not too sure what horse to bet on: yet try to oust Neyts or hope for success from the uncertain second position on the Senate list.

In the VU, where all things considered there is little excitement, the cards are expected to be dealt by 22 June at the latest. A district council of about 150 people will have to settle, among other things, the succession of Bob Maes who is withdrawing (in 1981 he headed the list for the Senate). It is true that there are four sound personalities: Vic Anciaux, Dr Jef Valkeniers, Daan Vervaet and Pol Peeters, but their rank and their allocation to either House or Senate has not been determined yet. And there is also a spot for a newcomer. About four names are in the market for that: Annemie Van de Castele; the mayor of Lennik, Etienne Van Vaerenbergh; the alderman from Dilbeek, Jozef De Ridder; and Gaby Vandromme, a long time resident of Brussels.

Finally there is the CVP with list heads De Keersmaeker and Chabert. There is a great deal of nervousness at party headquarters. They apparently realize there that matters have not substantially improved since the disaster of 1981. With four seats left over for the House and three for the Senate the soup has become thin for more than enough candidates. Rika Steyaert, who last time headed the House list with no less than 15,800 preferential votes, has been relegated to second place by the poll committee. Behind her stands Eric Van Rompuy who urgently needs to overcome his two previous accidents: as a matter of fact he did not get too many votes in 1981 nor last summer with the European elections.

It remains a gamble for the Christian democrats of Brabant to see whether it will be possible to recall Jos Chabert from his relative obscurity and whether Paul De Keersmaeker will be able to establish with the voters the unmistakable technical ability with which he handled our agricultural affairs. They rely on the expectation that the population will value some of his unshakable calm, the merits of a good manager who refuses to give up the idea that people really do realize the necessity and usefulness of the past income cut policy.

In the distance Wilfried Martens, who has been very quiet of late, is looking on. He will remain in Ghent. Guy Spitaels remains in Ath. In the final analysis, Herman De Croo remains in Oudenaarde. But as far as the rest are concerned, the battle for Brussels will be fiercer than has ever been known before.

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POLITICAL

BELGIUM

REVIEW OF BOOK ANALYZING STATUS OF GREEN PARTY

Brussels KNACK in Dutch 19 Jun 85 p 44

[Article by Chris De Stoop: "What Color do the Greens Have? Patrick Florizoone Tries to Chart the Green Movement."]

[Text] Since the Greens appear to be one of the most politicized factors of the end of this century, the time has gradually come to start writing some history about this mysterious phenomenon. The Ghent researcher, Patrick Florizoone, has just published a book, THE GREENS, which is a modest beginning in this direction, and which for the first time gives a listing of all Green Parties worldwide. Florizoone has done his research in some twenty countries where, mostly during the early seventies, some kind of a Green movement sprouted which, during the early eighties, became a real party. All of them find their roots in the industrialized world, because outside the industrialized world concern about environmental issues is a luxury; and, of course, in capitalist countries, because the Communist Bloc only has one-party states.

The basic, common feeling behind all Green agitation is the belief that our world will soon be doomed if things don't change; the Greens take a world view of the social order. Florizoone sees three important factors as having brought the process into being; the increase in environmental problems and environmental awareness (together with the threat of the arms race); the lingering crisis and impotence of traditional parties which have lost the public's confidence; and a shift in the values of the post-68 generation. The concrete core of the environmental movement underwent a cross-fertilization with the so-called "new social movements" (centering on the Third World, women, peace, nuclear energy, consumers, etc.) which then led to the formation of the Green Parties.

The Greens officially keep their distance from capitalism and socialism, because both ideologies have in common an obsession with unbridled growth and industrial production, which mortgages the

future of mankind and nature, both east and west. Florizoone, who concludes from his research that "Greens" actually do not exist, but rather are a free heterogeneous conglomerate, nevertheless tries to pin them down on the political scale running from left to right. He detects a difference between environmental parties and eco-parties. The first are a single issue movement, they only concern themselves with our natural environment, they have strong proponents in Austria, Switzerland and other countries, and place themselves, according to Florizoone, radically to the right--even to the point of being reactionary. The eco-parties however do embrace a complete ideology, have their strongest representatives in Belgium and Germany, call themselves neither left nor right, but are, according to the author after investigating their program, indeed "radically left," in that they introduce a number of new dimensions.

Florizoone, as an independent researcher, reaches somewhat the same conclusions as most journalists who some weeks ago attended the contentious Agelev Economic Congress in Mechelen. The eco people, who until now had taken on the profile of being only super-Greens and super-pacifists, but who for the rest remained very vague and shadowy, at that Congress pressed for more clarity in the socio-economic arena. The ideologues outdid the realists, and from the resolutions that were voted on (regarding nationalization, a 32-hour work week, and such matters) observers could conclude that the party had placed itself at least "left of the SP" [Socialist Party]. The party leadership was extremely shocked. Even though it was predictable that in an "open Congress" the more radical wing could manipulate matters.

Just as the eagerness with which other parties feel they must unmask them [the Greens] as "Marxists and collectivists," makes no sense, so too Agalev's tortuous efforts to rise above the classical left-right political terms of reference. What followed at the Congress was a poor show. The rank and file had taken a stand but the party leadership called a hasty press conference in order to weaken those pronouncements, to different shades of meaning in them, or at least "to make them more precise." BRT [Belgian Radio and Television] sought and actually got answers; all editors were buried under piles of re-cycled paper labeled "correction." Agalev is not left at all (even if Ludo Dierickx has maintained the contrary for years), but follows "a third route" like the Volksunie, afraid to show political coloration. Given the large number of vague protesters in the party, from the standpoint of elections it is best not to choose sides.

Founder Luc Versteylen even wrote: "we lost more than our innocence, we lost our obscurity." And what the Greens want exactly is: to remain an obscure phenomenon, not a such-or-so, but "ecological," "new," and above all else, "different" (the most often used word in

all their writings.) Thus, a blue-green. In short, as Florizoone writes, a tower of Babel. Florizoone ends his book with six possible scenarios, depending on various parameters (crisis, recovery, a shift of values...) which will determine the future of the Greens, but he forgets one of the most important: internal tensions. These (tensions) are coming to the fore more quickly than the Greens would like, with the upcoming elections being the focal point--especially the post-election formation of the Cabinet. The division then will not revolve around the question of whether or not they are left, but rather if and with whom they can possibly form a coalition. For the time being, it does not seem likely to be with Tindemans or Verhofstadt.

[Patrick Florizoone, DE GROENEN, Kluwer (Santvoortbeeklaan(2100 Devrne), 196 pp]

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CSO: 3614/111

POLITICAL

FEDERAL REPUBLIC OF GERMANY

TIME SEEN RUNNING OUT FOR BASIC REFORM OF SOCIAL SECURITY

Munich SUEDDEUTSCHE ZEITUNG in German 22 Jun 85 p 33

[Article by Juergen Forster: "The Social Welfare State in a Crisis"]

[Text] Concurrently with the reduction in economic growth, the social security system began to get into financial difficulties in the 1970's. Conceived 100 years ago, it turned out to be a "fair-weather system" in need of consolidation, unable to cope with the burdens of the beginning brisk structural change in trade and industry and the consequent employment problems. On the threshold of the 21st century, the social welfare state needs new social security structures. This question--in other words, what kind of impetus is needed for reforming the social security system and what kind of steps must be taken to reorient the retirement and medical insurance system--was discussed on Monday [17 June] at the "Bergedorf Colloquium" of the Koerber Foundation of Hamburg by experts from academic life and politics, trade unions and employers associations, the judiciary and administration.

Bonn/Hamburg, 21 June--The manifold measures that have been tried since the mid-1970's to adapt the social security system to the new economic conditions, which keep on changing, have proved to be insufficient and in part ill conceived. Since 1977 there has been hardly a single year in which it was not necessary to take new initiatives to insure the soundness of pension funding and limit medical costs. The economizing measures in pension and medical insurance not only have changed the structure of these two branches of social security but have aroused a longing for social security mechanisms that are new and organized as well as possible, perhaps even self-regulating, and thus at long last will be devoid of problems and crises.

Flight Into Utopia

Based on these wishes are the proposals for a thorough reform of the pension and medical insurance system, for introducing basic insurance for all citizens and for getting away from government-controlled insurance systems. The more

depressing the future prospects on the threshold of the next century are and the more helpless the political reactions to the existing challenges, the more understandable becomes the flight into scenarios of sociological utopia. High unemployment, inadequate methods of adjustment in pension insurance, a lack of instruments for controlling medical insurance, the unavoidable increase in the proportion of old people and the governmental attempts to withdraw still further from the financial responsibility for the implementation of the welfare state principle--all this makes it appear exceedingly difficult to find solutions within the existing system.

Against this background, it was indeed surprising that among the more than two dozen participants in the 77th "Bergedorf Colloquium" there was virtual agreement about the need and possibility of seeking ways within the existing social security system to implement the indispensable adjustment--albeit while questioning old value concepts and traditional principles. These, it became clear, also include carefully nurtured taboos of today's pension policy--the insurance principle, avoidance of payment elements which have to do with social welfare rather than insurance, and the principle of equivalence of contribution. It became clear in a number of attempts at reform that the "give in order to receive" concept anchored in current pension law, according to which contributions trigger an absolute claim for an equivalent pension payment, is not considered the only valid principle--constructively so, for instance, in the case of the question being raised (by Prof Hans-Juergen Krupp) as to whether equivalence should not be different when it comes to a family with children than when it comes to an unmarried person.

Principle of Solidarity Versus Equivalence

Another interpretation leads to the conclusion that one should act more consistently in accordance with the principle of solidarity and that, in light of economically disadvantaged groups such as families of low wage earners, the unemployed, handicapped and women, strict equivalence is inappropriate. A pragmatic social policy--a counterthesis toward which Prof Martin Pfaff inclined--definitely should consider a combination of the principle of equivalence and the principle of need. He pointed out that, for example, in the second big social security category--medical insurance as laid down by law--the method of securing income is not connected at all with the procedure of favored treatment through medical insurance payments. Rather, there the principle of equivalence of contribution is replaced by the principle of solidarity--the young for the elderly, the healthy for the sick, persons with a good income for persons earning less. Can this ancient principle of social security become a value to be newly discovered as far as pensions are concerned?

A premature break with the pattern of quid pro quo--the traditional insurance principle--and turning toward a redistributing pension policy of securing income, however, conjures up the danger of resistance to making contributions. This was the warning issued by Prof Winfried Schmaehl. This objection is important because decreasing acceptance of the governmental old-age insurance system would have far-reaching consequences for the financing of cost-covering contributions.

Politics as a Risk Factor

If a greater emphasis on the social security contribution as a price for a social security payment can already strengthen confidence in the old-age insurance system, need one not consider a pension policy determined by political compromises and ad hoc decisions to be extremely risky? It was typical of the discussion in Hamburg that the dialogue was dominated more by postulates of pure doctrine than by questions of politics and socio-political interaction. As a result no attempt was made to discuss past pension policies--the standard repertory of the pension debates in Bonn. This constituted an unaccustomed and pleasant enrichment of a dispute of experts which otherwise was definitely conducted with controversy and emotion--a dispute which had to do less with joint deliberations with a view to a constructive description of feasible future models of social security (which had been encouraged by television journalist Fides Krause-Brewer in her capacity as director of discussions) than with the portrayal of differing and also contradictory positions. Instead of seeking "islands of consensus," it was really more a question of "defining differences of opinion."

An idea which perhaps could lead to a consensus in the final analysis was the proposal to introduce a minimum insurance with obligatory contributions rather than a tax-funded basic pension. An advantage of such a solution would be to provide relief for social welfare, which steps into the breach in the social-welfare state, and an additional advantage would be the establishment of independent biographic social security profiles for all citizens. No solutions were offered, however, as far as the technical problem of collecting contributions from nonworkers is concerned.

Anchoring a minimum insurance in the pension law certainly would considerably stretch the frame of the prevailing system. The question would remain as to whether a raising of the minimum pension--for example, as was proposed, to time and a half the public-assistance rate--would occur via governmental old-age-insurance or private individual action. In light of such deliberations, there then also arose the question as to whether one would not miss an opportunity if, in the solution of difficult structural problems, one relied solely on reforms of the existing system.

To raise the question as to whether it is possible to correct the prevailing system, however, also means to postpone further an overdue reform of old-age security and to examine, test, supplement and define possible concepts. Is there time for this? Probably the sole consensus the colloquium was able to come up with is a clear no in answer to that question. The circle of experts was of the unanimous opinion that it was high time to set the switches for the future and straighten out the pension system. Each month in which this is not done, said Prof Hans-Peter Schneider, further restricts the scope of action for pension policy.

New Approaches

The trend of the debate at the plenary sessions was set at the start of the conference by three reports delivered on approaches to restructuring the social security systems. The speakers were long-time Social Board Chairman Prof Helmut Meinhold, President of the Duesseldorf Land Labor Office Olaf Sund (SPD) and Berlin Senator for Social Affairs and Health Ulf Fink (CDU). Meinhold emphasized the economic implications of funding social security in the future, Sund analyzed in particular the changed socio-political positions on which tomorrow's social policy would be based, and Fink drew attention to the exorbitant amount of rejections in medical insurance payments and also to the fact that the buildup of social services systems is beginning to gain considerably in importance over the instrument of monetary transfers.

This statement inspired deliberations by the colloquium as to how the engagement of volunteers could be stimulated, and neighborly assistance intensified. There turned out to be remarkably little readiness to take up proposals which could not yet be reconciled with the current social system and to follow suggestions which have been made in past months and years in public debate concerning improved safeguards against the risks involved in cases of persons requiring home care. This includes, for instance, the idea of compensating volunteer engagement in domestic care of relatives and neighbors by crediting periods of social security contributions. The debate about this proposal, which also appears particularly worth considering with a view to minimum insurance models, did not go into any depth.

Opposing views were, however, expressed about the extent to which it is in fact reasonable and possible to have nonprofessional assistants care for individuals. Certainly only a small part of the tasks which probably will have to be undertaken to an increasing extent in the next few years will lend itself to implementation by lay personnel. Here one sees interesting opportunities for a new professional and commercially operating services sector which would also include the already existing services in nursing, care of the elderly and home care. According to Erich Standfest, the DGB [German Labor Union Federation] thinks that the social care and health care sector can absorb so much personnel that it is considered advisable to relieve the labor market with a specific employment program.

Breaking New Ground

Actually the "Bergedorf Colloquium" had planned things quite differently. The idea had been to have political theory and practice approach one another in the presence of the Federal labor minister and leading SPD sociological experts in order to discuss jointly also possibilities that could be implemented politically. The absence of the national politicians turned out to be not a disadvantage but an opportunity to break new ground beyond the sober realities of legislative routine.

8790
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POLITICAL

FEDERAL REPUBLIC OF GERMANY

PLANNED LEGISLATION TARGETS LONG-TERM, YOUTH EMPLOYMENT

Bonn DIE WELT in German 28 Jun 85 p 9

[Article by Peter Jentsch: "Situation of Permanently Unemployed and Youth Being Improved--Bonn Plans To Make Labor Market Policy 'More Surefire'"]

[Text] Bonn--The Federal Government plans a large-scale initiative to make the "labor-market-policy weaponry more surefire," improving in particular the situation of the permanently unemployed, and of youths that cannot get a job after completing their training, by introducing an amendment to the Employment Promotion Law (AFG).

A basic paper has been drafted by the Federal Labor Ministry, but, according to government circles, as yet there have been no votes, let alone decisions, on the subject by the deputies of the parties in the Bundestag.

The amendment, which if implemented would allot about DM 1.8 billion to the budget of the Federal Labor Office, among other things provides for granting unemployment benefits of up to 16 months to those permanently unemployed from age 39. At present the lower age limit for drawing extended unemployment compensation for 18 months is 49; below that age it is limited to 12 months. For those permanently unemployed between 49 and 53, the term of drawing unemployment compensation is to be extended to 20 months, and from age 54 to 2 years.

Beyond that, those unemployed are to receive unemployment compensation from as early as age 58 even if--a prerequisite heretofore--they are not available for job placement.

According to calculations of the Labor Ministry, in all about 200,000 unemployed will be able to draw extended unemployment benefits. This means an additional expenditure of DM 1.3 billion for the Federal Labor Office, whereas the Federal Budget, from whose funds unemployment compensation is being paid, is relieved of not quite DM 750 million as a result of the shift.

The Federal Government hopes for an additional improvement in the labor market through a package of measures aimed at further improvement in the skills of the unemployed. More than half of all unemployed now have no professional skills

and are therefore difficult to place in jobs. It is planned to improve particularly the opportunities for additional training for the young.

Thus the Labor Ministry paper proposes to pay a higher subsistence allowance to youths after they complete their training, to make it easier for them to participate in training. Beyond that, youths in training in schools are to be put on the same level as youths in professional training and receive subsistence allowances accordingly.

With a view to promoting better training, it is further planned to provide training allowances in the future also in the case of employment allowed by the AFG which is limited in duration. Heretofore these allowances have been paid only to permanent employees. Finally, unemployment compensation is to be continued whenever unemployed persons without a claim to a subsistence allowance take part in training.

An additional burden of about DM 400 million for the Federal budget will result from yet another measure to improve the situation of the unemployed. It is planned to double the amount of spouses' income not counted in computing unemployment compensation to DM 650 a month. In addition, the amount not counted for each child is to be doubled to DM 300. The Federal Labor Office figures that about 70,000 persons will be affected. Further improvements are to be provided also for separated fathers paying child support by raising their wage compensation payments in accordance with the AFG. In these cases, unemployment compensation is to be raised from 63 to 68 percent.

Finally, there has been a revival of an initiative by deputies of the CDU/CSU in the Bundestag to insure the neutrality of the Federal Labor Office in wage disputes. Workers affected indirectly by a strike are no longer to receive any short-time work payment.

8790
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POLITICAL

FINLAND

PAPER COMMENTS ON SHIP PROTEST BY BALTIC EMIGRES

Helsinki HELSINGIN SANOMAT in Finnish 17 Jul 85 p 2

[Editorial: Protest Ship]

[Text] An important event, such as the tenth anniversary of CSCE, always attracts various side activities, which try to exploit the high publicity value of the occasion. The protest cruise by Baltic emigrees, planned to take place at the time of the meeting, must be placed in that category. The cruise will be made on the "Baltic Star" and one of its destinations will be Helsinki.

Publicity is what the emigrees specifically want for their cause. They seem to have succeeded in their efforts. Among other things, they were attacked with harsh words by TASS. There has even been a desire to see this minor protest group and its activities as a threat to the summit in the fall.

It is essential to Finland that the anniversary meeting of the properly hosted CSCE will be successful. Proper behavior is expected also from uninvited guests. They have no right to complicate the current CSCE program.

However, Finland is a free country for people to come and go. In spite of its importance, the anniversary of CSCE does not justify interference with the basic rights of our system. Naturally, every country, when trusted with organizing an event of this scope, takes precautions against non-desirable provocations. There is every reason to hope that the Baltic emigrees take this into consideration when making their plans concerning Finland.

The continuing support for to the security and cooperation in Europe is a matter of such magnitude that, alongside it, individual protests have to be seen in the light of their own value. Without making too much noise about them and without giving justification for too much notoriety.

12956

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POLITICAL

FINLAND

PROFESSOR SAYS KEKKONEN ZONE INITIATIVE IN 1978 WAS MISTAKE

Injected into Superpower Conflicts

Helsinki HELSINKIN SANOMAT in Finnish 17 Jul 85 p 11

[Text] Orivesi (HS)—Doctor of Political Science Jukka Tarkka feels that the revised initiative for a Nordic nuclear-free zone which President Urho Kekkonen proposed in 1978 was a mistake. Tarkka presented his views at a history seminar that began in Orivesi on Tuesday.

In Tarkka's opinion, the position Kekkonen adopted in 1978 for a nuclear-free zone may not conform to the same intellectual analytic logic that almost all of his other initiatives were endowed with.

"What was new in the 1978 initiative was the fact that in it the superpowers were negotiating partners and guarantors. It therefore tied Finland's key political objective to precisely those superpower disputes staying out of which our whole security policy had until then been directed toward," Tarkka criticized.

Furthermore, Tarkka reminded his listeners that in 1978 all those factors that had endowed Kekkonen's original 1963 initiative with the stamp of political mastery had already ceased to exist or changed into inverse values.

Also finding fault with President Kekkonen's actions, Tarkka said that he knowingly committed "retroactive lese majeste." In his opinion, an overly protective attitude toward Kekkonen's achievement as a statesman means underestimating it.

Moreover, Tarkka stressed the fact that what marked Kekkonen's policy line were precisely its alertness and mobility, a constant reevaluation of all factors.

Is the Zone Initiative Any Longer the Kekkonen Line?

So Tarkka asked whether adhering to the nuclear-free zone proposed by Kekkonen is even any longer Kekkonen's line since the idea of a zone has lost its actuality.

Tarkka could not point to any other mistakes during Kekkonen's long presidential term. He did, however, feel that Kekkonen's stand in opposition to the Winter War peace treaty in March 1940 was an all the more obvious mistake. In Tarkka's opinion, it was clearly exercised opportunism and a shirking of responsibility.

Having begun with Kekkonen's policy line to open the seminar, Tarkka outlined his topic in the light of Kekkonen's working methods and his qualities.

According to Tarkka, Kekkonen had three unparalleled abilities. The first was the ability to see and recognize the birth of a new situation that could be exploited from even the faintest signs.

The original initiative for a nuclear-free Northern Europe is, in Tarkka's opinion, a good example of a delicately perceived summary that took into account many factors contributing to international development.

Precious Ability to Say No

The second of Kekkonen's qualities was the ability to say no, even to our superpower neighbor if need be. He had an opportunity to practice this skill at the time of the Supervisory Commission when, as Finland's justice minister, he was responsible for organizing the war guilt trial.

Tarkka himself defended his doctoral thesis on precisely the war guilt issues. He is now employed as head of the literary department of the Otava Publishing Company.

The last person to receive a no from Kekkonen was Soviet Marshal Dimitri Ustinov, who in 1978 proposed that Finland engage in joint military exercises with the Red Army.

With his swift and sharp rejection of the proposal during an unofficial sounding out phase, Kekkonen succeeded in preventing the matter from even getting as far as the discussion stage, which would have left a dent in our foreign policy shingle.

"His rejection of Ustinov's proposal was the old statesman's last show of strength," Tarkka said.

According to Tarkka, the third of Kekkonen's strong points was his unshakable pursuit of his own interests. This was apparent in matters pertaining to his own career as well as in affairs of state. According to Tarkka, his pursuit of the nation's interests was the more important of the two.

According to Tarkka, his resoluteness in the pursuit of his own interests was expressed most clearly when Finland was negotiating for free trade arrangements with EFTA and the European Communities. The Soviet Union opposed the ventures, but Kekkonen pursued his own view of the matter.

"He saw to it that the Soviet Union was aware that Finland was acting on behalf of its own interests, not as an agent of any foreign power," Tarkka said. In

22 August 1985

Tarkka's opinion, Kekkonen's many encounters may be described as power-conscious audacity. Kekkonen was, in his opinion also a striver. "But it was a lucky thing for Finland that it had available to it a striver like Kekkonen during hard times," Tarkka noted.

Organized now for its second summer at Orivesi College, the Kekkonen seminar will examine Urho Kekkonen's second presidential term, from 1962 to 1968. A group interested in the history of the 1930's, most of whom are editors, will follow the seminar, which is to last for the rest of the week.

Paper Disagrees with Professor

Helsinki HELSINGIN SANOMAT in Finnish 18 Jul 85 p 2

[Editorial: "A Good Initiative Was Left Without a Continuation and Without Anyone to Continue Its Pursuit"]

[Text] These past few years substantial changes have occurred in the advancement of a nuclear-free Nordic zone. When Finland's official activism declined, Sweden — and especially Olof Palme — assumed the role of the new leader. When its proposal also got bogged down in general apathy, the issue was at the official level left to wait for a more propitious time. On the other hand, a primarily propaganda-like discussion of the same topic and, surprisingly, of the the Danish Social Democrats' initiative was set in motion at a lower level. Since the 21-nation committee that had generally deliberated on nuclear-free zones did not come up with a positive proposal on the matter, attempts at establishing a nuclear-free Nordic zone also conspicuously came to nought in the same way.

Examined against this background, there is nothing either surprising or new in Dr Jukka Tarkka's claim that President Urho Kekkonen's revised zone initiative in 1978 was a mistake, a foreign policy error. The error in the initiative — as Tarkka emphasizes — is specifically due to the new element Urho Kekkonen added to his second attempt. It included as an essential element the fact that the superpowers should undertake to be guarantors of Northern Europe's nuclear-free status, which would have meant that both Finland and Sweden would have been involved in superpower disputes. Since the initiative was not met with sympathy where it should have been and since the author of the initiative did not shed any light on the details of his idea either, we cannot know what Kekkonen's "guiding principle" would have been in possible negotiations. Perhaps Kekkonen simply felt that the objective of a nuclear-free Nordic zone was so important that ways of achieving it that would only be thought out if they aroused more general interest could also be proposed to promote that objective.

The criticism leveled at the revised 1978 initiative naturally does not apply to the original 1963 initiative. While procurement of special status for some given area in the event of a nuclear war does not seem to have succeeded, the stir on behalf of a nuclear-free zone has nevertheless activated people to oppose increases in nuclear weapons and to look for ways of reducing the threat of a nuclear war.

The various local proposals made after Kekkonen's attempts in both Sweden and Finland have primarily proven to be personal political fiddling around, the purpose of which is more likely to be breaking the silence than making practical proposals. Perhaps they think that political mastery still lies in promoting a nuclear-free Nordic zone based on the model Kekkonen proposed over 20 years ago, but reality does not speak in favor of such an interpretation.

In the time since ideas about a nuclear-free Nordic zone were exchanged in the Nordic countries, substantial military preparations have been effected in the area and the possibilities of a destructive war's occurring have multiplied. The advantage that Kekkonen's proposal had on its side over 20 years ago and which might have been preserved through zone arrangements or with the help of other arms limitation measures has now been largely lost. Of course, there are no guarantees that initiating negotiations that were an objective of Kekkonen on a nuclear-free Nordic zone with the Soviet Union would have prevented such a development and led to a more stable security policy situation in Northern Europe. The only thing that is clear is that there has been neither a continuation of the political mastery which Tarkka asserted that Kekkonen's original proposal represented nor anyone to continue exercising it.

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POLITICAL

FRANCE

NEW SOLIDARITY BRIGADE TO NICARAGUA

Paris L'HUMANITE in French 27 Jun 85 p 9

[Text] The "contras," the counterrevolutionaries and former torturers in the service of the Somoza family, sometimes penetrate Nicaraguan territory from Honduras. They kill and plunder. They bring war. Thousands of Nicaraguan peasants have been chased off their land in the North by this war financed by the United States. Today they are refugees in their own country. We must help these refugees.

Seventy-six young Frenchmen have left for Nicaragua in connection with a "Solidarity Brigade" organized by France-Latin America.* They have gone to build a school and a health center in a refugee village. Before flying to Managua, they were received by the mayor of Bagnole, Jacqueline Chonavel. On that occasion 100,000 francs were collected.** The "brigade" initiative has received financial support from the municipalities of Saint-Etienne-du-Rouvray, Champigny, La Courneuve and Gennevilliers.

Ariel Granera, who represented the Nicaraguan Embassy, called on his listeners to strengthen solidarity with his country. Charles Lederman, a senator from Val-de-Marne, denounced the perversion of words and deeds that has resulted in some people's likening the French Resistance to the exactions of the Nicaraguan counterrevolutionaries.

* 18, rue du Congo, 93500 Pantin.

** Personalities among whom were: Monsignor Guillot, the bishop of Evreux; Attorney Lederman, a senator; Monique Hibon, an inspector for the Ministry of National Education; Jean Metellu, a writer; Bernard Noel, a writer; Georges Snyder, the president of the UER [Teaching and Research Unit] Educational Sciences Department of the 5th Arrondissement, Paris, agreed to sponsor the project.

[Photo caption]

West German foreign aid workers have occupied the FRG Embassy in Managua for several days. They in this way intend to protest the kidnaping of one of their colleagues by counterrevolutionaries who came from Honduras. (photo: AFP)

POLITICAL

FRANCE

DIFFERING PERCEPTIONS ON FRANCO-ALGERIAN TALKS NOTED

Paris LIBERATION in French 26 Jun 85 p 26

[Article by Jose Garcon: "Amorous Talks; Fabius in Algiers: After the Passion, Explanation"]

[Text] Following rather stiff talks, the Algerians and the French have decided to step up their political dialogue and have in particular set limits that are not to be exceeded in order to preserve one of the most reasonable of relations.

Algiers—Now who claims that the official press in the Arab countries is superfluous? With the help of the stolid silence and tension noticeable in the French delegation that is accompanying Laurent Fabius and Roland Dumas, reading EL MOUDJAHID and EL CHAAB has decidedly become the best way of evaluating the discomfort existing between France and Algeria (see the Monday issue of LIBERATION). Discomfort great enough for Francois Mitterrand himself to have insisted that his prime minister make a trip — and quickly — to Algiers. In spite of that, Laurent Fabius has from the moment he got off the plane avoided bringing up the existence of "difficulties," preferring to insist on the "altogether privileged relation" linking Paris and Algiers.

Nevertheless: While the Monday issue of EL MOUDJAHID made absolutely no mention of Laurent Fabius' arrival, the last page was, on the other hand, devoted to immigration, a ticklish problem if ever there was one! As for reading EL CHAAB — in Arabic — it was even more instructive. We might sum up the article entitled "Positions and Realities," which lists the grievances against France at length, in a cogent notion that is obviously at the heart of the crisis between the two countries. France consults us only when "its interests are at stake," in essence writes EL CHAAB, which blames it for "the absence of dialogue," especially as concerns Arab North African affairs. And EL CHAAB is specific: "We cannot, for example, stomach a delay of 5 years with regard to an African consensus on Western Sahara."

This critical interpretation by the Algerian press would be incomplete unless we cited EL MOUDJAHID's astounding "one" of yesterday which, on the second day of Laurent Fabius' visit, could not have been clearer.

Devoting a strictly informative article to the prime minister, EL MOUDJAHID showed itself to be frankly enthusiastic over the visit of the head of the Swedish Government, Olof Palme, that "friend and head of a government that knows how to reconcile its convictions and its way of handling affairs (...) and is the only member of the limited group of the richest countries that is credible when it proclaims its solidarity with the South."

Received by five of the five French delegates, the "message" conveyed by EL CHAAB is in no way surprising: For months these scarcely veiled criticisms have been the leitmotif of the Algerians, even if Paris does not always take them into consideration.

We have yet to learn the result of the trip to Algiers, which took place in an "evanescent" atmosphere, to use the expression of a French diplomat. The somewhat distant courtesy with which the Algerians surrounded the French delegation actually added to the artistic haziness that prevailed throughout that visit. Would Laurent Fabius meet with President Chadli? The conversation — 45 minutes — finally took place and — this is important — just when the French delegation began to raise serious questions on the issue.

Would Roland Dumas talk — "if only for a minute," as Fabius wanted him to — with the Algerian minister of justice to attempt to find a solution to the business of children born of mixed couples and taken away from their mothers? He was finally told that the minister of justice was not in. But the problem was nevertheless raised during the talks as was also another matter of interest to the French: economic cooperation.

Nothing was, however, less certain since the Algerians did not want to talk at first. Expressing the view that "there can be no development of economic co-operation without a political understanding," the latter intended to tackle only emigration, the decline in oil shipments to France (which is considered to be eminently "political") and the situation in Western Sahara, their number-one concern. The Algerian prime minister's very brief statement at the end of the talks moreover clearly demonstrated the difference in viewpoint on the matter between the two countries: Abdel Hamid Brahimi in fact spoke exclusively of the "necessity for globalizing political and economic relations" and for discussions concerning "the chief issues of interest to our region, to wit, Arab North Africa and the Near East."

While the whole business of economic cooperation was finally broached by Laurent Fabius and his Algerian counterpart, France did not visibly obtain anything concrete as concerns the big contracts that interested it (drinking water supply and sanitation for the city of Constantine, the Algiers subway, cooperation in the automobile industry, in which Peugeot and Renault are in competition with Fiat, General Motors and the Japanese firms, and lastly telecommunications).

"The purpose of this kind of trip is to review all the problems and I said at the outset that there would be no spectacular results," Laurent Fabius furthermore acknowledged. Two sector committees, one dealing with housing and the other with transport, will, however, be meeting, one in July in Paris and the other in September in Algiers.

The French prime minister, however, made a political gesture in himself raising the problem of racist attacks in France and in "vigorously condemning any act connected with racist violence." "We must seek out, arrest and punish their perpetrators," asserted Laurent Fabius, who, to confirm what he said, insisted that his advisers review with their Algerian partners in the discussion the investigations of some 15 cases.

As regards the international situation, the two parties appear rather to have explained their positions than to have succeeded in bringing them closer to one another. Particularly as concerns Western Sahara where the Algerians blame France not for its policy "of equilibrium" between Algiers and Rabat, but question its reality. Laurent Fabius and Roland Dumas therefore commented at length on the why and wherefore of the French attitude toward Morocco and in the region. But Paris did not take a single step toward rapprochement with the Algerian views on the matter. Invoking "nonintervention in the affairs of Arab North Africa," France still in fact refuses to "lean" on Morocco to get it to negotiate with the POLISARIO [Popular Front for the Liberation of Sagui el Hamra and Rio de Oro]. Laurent Fabius merely underlined the fact that the referendum on Western Sahara had to take place in "absolute freedom and under international control." That is a little step toward Algeria which, fearing an unfavorable vote, is multiplying the conditions for agreeing to the holding of such a referendum.

While the two parties showed themselves to be very secretive about Tunisia, we know that that topic and that of a successor for Habib Bourguiba were also raised. Algiers did not conceal its concern over Libyan ambitions with regard to that country and, moreover, to Chad. Through meetings between Roland Dumas and his Algerian counterpart, Taleb Ibrahimi, France and Algeria otherwise decided to regularly meet and discuss all of these matters.

"This visit has enabled us to remove certain interpretations that might have created difficulties between us," Laurent Fabius stated yesterday. We cannot better sum up the outcome of the discussions than with this quip of a diplomat: "Not bad. Difficult, but not bad...."

French and Algerian officials have gauged their respective positions and evaluated up to what point each one might go too far. In a way an indispensable red line to preserve an extremely sensitive relation. Considering the more than "pinched" atmosphere of the first talks, it was high time. It is not certain that this will in the long run suffice to consolidate a relation as complex as this one.

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POLITICAL

FRANCE

PROS, CONS OF PRESIDENTIAL, LEGISLATIVE ELECTION SCHEDULE

Paris LE MONDE in French 27 Jun 85 p 11

[Article by Olivier Duhamel, professor at Paris X-Nanterre University and editor of POUVOIRS]

[Text] For the past 20 years, as every legislative election has approached us, we have wondered about the good rules of alternating power. If the opposition wins, must the president yield or resign? If he remains, whom must he call to Matignon? Should a leader of the new majority accept or refuse to become prime minister? How should the government be made up? How much power should be left to the president? How will the cabinets be made up? Who will represent France at European or international summit conferences? How long can all this last? These are all questions that are not lacking in interest, but that nevertheless tend to transform reflection on the basic political choices of the constitutional framework. The Fifth Republic is approaching its 30th birthday and nearly everyone is happy that France finally has a stable, legitimate, uncontested democracy, but we are not always in agreement over the allocation of power.

This fragility of the French system has a cause, which itself is the fruit of a curious accident. The difficulty stems from the fact that control of the government of France rests on two elections: the presidential and the legislative, where other great Western democracies have but one. Furthermore, these two elections are dissociated.

From this dissociation between the presidential and legislative elections stems France's electoral instability. If one asks an American how long the voters in the United States grant power, he will quickly reply: "Four years." The British or German voter will scarcely hesitate before answering "Five," with experts adding that dissolution sometimes reduces that period. But next ask a Frenchman, even one expert on political affairs, how long a term the French Constitution provides between elections. Be quite precise: What is the theoretical period between elections in France? In other words, assuming there is no resignation or death of the president or any dissolution of the Assembly, how many years separate two national elections?

No one will reply because the answer is too complicated! The theoretical time between elections varies, under the Fifth Republic, from 1 to 5 years, based

on a 35-year cycle (the discovery of this "unwritten rule of the Fifth Republic belongs to Jean-Luc Parodi, REVUE POLITIQUE ET PARLEMENTAIRE, May 1981). In other words, if each government completes its term, power is bestowed for 5 years, then 2, 3, 4, and finally, 1. Then we go back to 5 years, but this time followed by 1, then 4, 3, 2 and 5, before the cycle recommences for 35 years: 5, 2, 3, 4, 1, 5, 1, 4, 3, 2, 5. Let us illustrate the rhythm with a table (below), based on the current situation, since the total change in 1981 set the clock back to 0.

Theoretical Cycle of Elections Under the Fifth Republic

PRÉSIDENTIELLE	1958	1963	1968	2002	2007	2012	2016
	1971	1973	1978	1988	1993	2008	
LÉGISLATIVES	1986	1991	1996	2001	2006	2011	

As one can see, barring accidents, one must wait for 1996 in order for the government once again to have 5 years in which to act and 2016 before seeing simultaneous elections and the beginning of a new cycle. In the meantime, power will have been granted for varying lengths of time and for only 1 or 2 years on four occasions.

Defenders of the status quo will object that these are theoretical periods, but dissolution or a presidential resignation only shorten the time given to govern, interrupting it and making it totally unpredictable. From 1958 to 1981, general elections took place on the average every 2 1/2 years. If the system operates, it is mainly because there was no alternation in power. But when one thinks that it is desirable to change the coalition in power relatively regularly or quite simply, if the French voters should manifest a pronounced fondness for a change in power, then one must admit that the constitution singularly complicates things: for those governed, whom it forces to proclaim their desire for change twice and on two levels; for those in power, whom it places in an insecure position that does not necessarily encourage boldness or political constancy; for political clarity, which it alters with these off-beat rhythms and the institutional quarrels that result from them.

The Fifth Republic therefore stopped halfway on the road to constitutional modernity. Like the United States, Great Britain or the Federal Republic of Germany, it provides us with a majority democracy completed with a sophisticated state of law. But as under the Italian parliamentary system or the Portuguese semi-presidential system, it attributes power for uncertain periods to variable authorities. It is by attacking this problem rather than its secondary effects that one will complete the institutional modernization of France.

And yet, such a reform is not easy to implement. Naturally, a large majority of the French favor a shortening of the presidential mandate to 5 years and

there is even a potential majority of that inclination among politicians. But people are less convinced of the need to elect the president and the deputies at the same time. Fundamentalist Gaullists view the move as an attempt on the Gaullist spirit of the institutions, according to which the chief of state is supposed to be far above the majority mob. Communists are openly hostile to the move, with the simultaneity of the elections increasing their exclusion.

Beyond these political difficulties, the reform would demand others, lacking which the 5-year democracy would scarcely last. With the first dissolution of the Assembly or the first disappearance of a president, the harmony of the terms would be broken. Some are therefore thinking about the institution of a real presidential system: elimination of the government's responsibility to the Assembly, the right of dissolution, the office of prime minister. The constitutional revision becomes major and increases the number of objections, especially since one would have to add the creation of an office of vice president given the possibility of the death of the president. Such total alignment with the American system would not be without drawbacks in a centralized, divided country such as France.

One may prefer our dyarchy which, however inegalitarian it may be, distributes supreme power between the president and the prime minister, thereby limiting the power of the monarch. Nothing prevents us from maintaining the government's responsibility to the Assembly and the right of dissolution, so useful in France, and in order to ensure the permanence of the 5-year democracy, it would suffice to combine dissolution and presidential resignation. The two branches of government, elected at the same time and for the same length of time, would be even more encouraged to act in concert because the recall of one would imply the recall of the other. If the president should die in office, the Assembly would be dissolved ipso facto in order to maintain the simultaneity of the elections. In short, the presidential and legislative branches would generally be elected every 5 years. If an accident should occur, they would all go before the voters.

With the simultaneous 5-year terms and the combination of dissolution and resignation, the Fifth Republic would retain the originality of its system, half parliamentary and half presidential. But it would eliminate its current drawbacks, which tend to give the citizens only the sad choice between constant reelection of the party in power and institutional crisis. To elect the deputies and the president at the same time would be to designate a single parliamentary and presidential majority. Finally, our democracy would enjoy a regular and accepted rhythm, forcing those vying for power to quarrel a little less over the methods of winning victory and a little more over the use they propose to make of it!

11,464
CSO: 3519/231

POLITICAL

FRANCE

NEGOTIATIONS BETWEEN UNIONS, MANAGEMENT FAIL

Paris LES ECHOS in French 25 Jun 85 p 3

[Article by Michele Lecluse: "Failure of Negotiations on Retraining Leave: All Losers"]

[Text] There will be no further meeting on 1 July on retraining leave [conge de conversion]. Yesterday's meeting ended abruptly: the five unions, united for the occasion, and the CNPF [National Council of French Employers] separated, registering their disagreement. The failure of interprofessional national negotiations, the second in 6 months, does not augur well for the future of the contract agreement process, at least until the 1986 legislative elections, and presents the government with a thorny problem.

At 8:30 yesterday morning, when the employers' offer was read, the unions saw their worst fears confirmed. Retraining leave would only apply to businesses laying off more than 10 employees and thereby obliged to offer a company plan.

Administrative authorization would not be necessary for the dismissal of employees who were willing to accept the cancellation of their labor agreement with the compensation of a retraining contract for a maximum of 6 months--and not 1 year--with 60 percent of their previous salary in compensation--and not the 70 percent of the government scheme.

Registered with ANPE [National Employment Agency] for the duration of the layoff, at its conclusion those concerned, unless they found new employment, would reacquire their rights under the unemployment insurance program, but for a period limited to 10 instead of 12 months.

On the other hand, those who benefited by receiving a position in another business could complete a 6 month training program.

This provision would be inserted into the 1969 job security agreement, and the CNPF also proposed modifying the latter so as to introduce the chapter III provisions of the flexibility

agreement which arranges and shortens the consideration period in the case of dismissals for economic reasons in businesses with more than 50 employees.

Unions Unanimous

Faced with the employers' proposals, the unions immediately demanded a suspension of the meeting. If the CNPF was adopting a tactical position, as it tried to do last 6 December, raising the bids so as to gain space for comfortable maneuvering, they would be able to find out immediately.

With a unanimity which they had never shown during the negotiations on flexibility, the five unions then agreed on the demand that a certain number of principles, sacred in their eyes, be respected: the retention of the labor agreement between employees affected by a retraining contract and the company; similarly, the retention of administrative authorization for dismissal, the general application of retraining contracts to all those laid off for economic reasons and, finally, negotiations at branch or company level.

After a further suspension, the CNPF returned to the table with unchanged positions, simply expressing surprise at the "unfortunate coincidence" between the union statement and that made last Friday by the minister of labor.

From the unions' point of view, it was clear that the CNPF was not disposed to make the slightest concession and, according to them, "it bore the entire responsibility for the failure." Clearly, the CNPF has hit the ball back, asserting that the unions have put forward "a declaration of principle which amounts to a rejection of the employers' proposals without negotiating."

It is all quite fair and the ploy is a customary one in such cases. But the employment situation today is too serious to allow the real questions to be dodged.

Yvon Chotard cannot be surprised by the reaction of the unions. The elimination of administrative authorization is a red flag for them, a matter of principle on which they have never been willing to compromise, to the point where the CNPF had given up on including it in the December agreement.

With the possible exception of the scope of application--the exclusion of at least a third of the approximately 450,000 employees laid off for economic reasons from the benefits of the measure--all the other provisions could have been subject to discussion. But the withdrawal of all references to the elimination of administrative authorization was a prerequisite.

Admittedly, as the president of the CNPF business committee stressed, the formula offered "a plus to the unemployed at a time when some countries are reducing guarantees." Those affected would thus have won a maximum of 4 months compensation and would have benefited from additional opportunities in the area of training and transfer.

The unions decided that the game was not worth the candle and were unwilling to exchange their birthright for a mess of potage, especially since the employers' plan made no allowance for them to negotiate the institution of the retraining contract at branch or company level.

Political Circumstances

Even if the statement by the minister of labor was inopportune--since his views have been known since January--it can hardly be maintained, as Yvon Chotard did, that the union approach during negotiations yesterday was prompted by Michel Delebarre.

On the main points, the unions have not changed their position by one iota. On the contrary, they have been the more adamant since they knew they were supported by the government.

On the other hand, they have good reason to wonder about the intentions of the CNPF. Antoine Faesch (FO) [Workers Force] is simply formulating the question. Jean-Louis Mandinaud (CGC) [General Confederation of Managerial Personnel] answers: "Employers are looking to political circumstances before making basic decisions on the economy and employment."

One could go along with him on this point, considering on the one hand that the elimination of administrative authorization was no longer indispensable since employees would voluntarily accept a retraining contract, and on the other hand, considering that the CNPF was quite aware that it risked rejection by its partners.

By including this condition, was it trying to prove that only another government is capable of providing it with the means of modernizing industries?

If it is a comfort to the CGT [General Confederation of Labor] which can plume itself once again for being right before anyone else saw it, the failure of these negotiations right now only results in victims: employees laid off who could reckon on a year of training; businesses like Renault which were banking on retraining leaves in order to do away with surplus staff without too much pain and at less cost.

As for the government, it is at least in an awkward position. After the December failure, it did not intervene pleading respect for the contract policy process, as Yvon Chotard,

moreover, deliberately pointed out.

If it were to do so now, not only would it reverse itself, but more than that it would have no certainty of success. Without taking entire responsibility for the cost of the operation, it can hardly confront UNEDIC [National Union for Employment in Industry and Trade] with a fait accompli, especially since one of the two administrators of the unemployment insurance system, the CNPF, would then be completely free to denounce the 1984 agreement.

If it is not dead, the contract agreement process is in a very bad way, at a time when the industry partners must enter into fundamental negotiations.

Pressured by the FO [Workers Force] to devote the 1 July meeting--now without any purpose--to unemployment insurance, Yvon Chotard preferred to wait for the government's reaction. That means that the latter is caught in a vice.

The only possible solution, though a tenuous one, is to enter into branch negotiations, encouraged by an outline law.

[boxed section]

Yvon Chotard (CNPF): "The unions put forward a declaration of principle which amounts to a rejection of the employers' proposals without negotiating. Together with the refusal to sign the flexibility agreement, this rejection should not call into question the contract agreement process but does emphasize that this process is extremely difficult."

Louis Viannet (CGT): "Something important has happened. It proves that union unanimity with a determined and firm approach can make the CNPF yield ground. It gives notice to everyone, including the government."

Nicole Notat (CFDT) [French Democratic Federation of Labor]: "The CNPF is responsible for the failure of the negotiations. Its proposals are clear proof of its refusal to reach an agreement under favorable circumstances."

Alain Deleu (CFTC) [French Confederation of Christian Workers]: "It was not a matter of a change in the texts but in behavior. The CNPF was unwilling. The class struggle had its supporters on both sides of the table."

Antoine Faesch (FO): "The CNPF clothed its desire to change union demands as a new instrument for flexibility, which we could not accept."

Jean-Louis Mandinaud (CGC): "The failure of the negotiations reflects the employers' perspective, which looks to political circumstances before making basic decisions in the areas of economics and employment."

**9824
CSO: 3519/235**

POLITICAL

GREECE

SOVIETS REPORTEDLY WISH TO STRENGTHEN TIES

Athens KYRIAKATIKI ELEVTHEROTYPIA in Greek 30 Jun 85 p 11

/Text/ It appears that Greek/Soviet relations are entering a new and very interesting phase that will upgrade and tighten them, especially in the purely political sector, after the recent electoral victory of PASOK.

According to information, Moscow appears to be willing not only to tighten its already good state relations with Athens, but also to attempt a closer cooperation even on a purely political level.

The display of goodwill on the part of Moscow appeared first of all in the official Soviet press after the elections of 2 June in which the approving statements regarding the electoral result surpass the usual treatment.

The electoral victory of PASOK and the second four-year period it has in front of it seem to have given Moscow the green light it needed to tighten its relations with Greece on a purely political level, similarly with the good state relations that exist to date.

Already, according to information, the ambassador of Moscow in Athens, Mr Igor Andropov, conveyed this view of his country to the Greek government during his meeting Friday in the Ministry of Foreign Affairs with the substitute minister of Foreign Affairs, Mr Karolo Papoulias.

According to the same information, Mr Andropov described the elections of 2 June as a "great victory of PASOK" and added that the time has come for not only promoting state relations, but to a greater extent for promoting the political relations between the two countries.

Remember that the groundwork for this cooperation was established during the period of prime minister Mr A. Papandreu's visit to Moscow a few months ago, when both sides agreed to have a political cooperation at the level of general secretaries of the various ministries. The visit in the near future to Athens of the USSR minister of Foreign Affairs, that has not yet been announced, should be considered as a first step in promoting this cooperation (that has been developed only with two western european countries up to now).

In addition to the prospect of upgrading the political relations with Greece, however, the Soviet ambassador appears to have again brought up the views of Moscow for the entire spectrum of the bipartite agreements that are in progress with Athens.

According to the same information, the subject of political refugees was examined again and more specifically, the subject of double nationalities and double taxation as well as the prospects that exist for airline flights between Moscow, Leningrad and Thessaloniki via the Soviet company Aeroflot.

In anything that has to do with the big aluminum project, the Soviet side said it was ready to send Soviet specialists who will offer their services for the faster materialization of the project.

Finally, the Soviet side brought up the necessity for establishing a Soviet consulate in Thessaloniki, a request under consideration by the Greek side.

9346
CSO: 3521/298

POLITICAL

GREECE

IMITOTAKIS SEEN ATTEMPTING TO SECURE OWN LEADERSHIP

Athens TO VIMA in Greek 29 Jun 85 p 3

/Text/ The president of the New Democracy, Mr Mitsotakis, is using the delegation of party authority in an effort to secure his position of leadership and at the same time control sectors of the central party mechanism in view of the upcoming Congress of the party.

The presiding member of the N.D. /New Democracy/ suddenly announced yesterday the appointment of certain "controlled" or "supporting" deputies and officials to the highest party positions, without including any belonging to the "renovators", the "Stefanopoulos followers", the "Rallis followers", etc.

Specifically, Mr Mitsotakis announced that the parliamentary representation of the party during the summer sessions will be undertaken for the month of July by Mr Kon. Stefanopoulos, for August by Mr Mikh. Papakonstantinou and for September by Mr Athanasios Kanellopoulos.

The placement of Mr Ath. Kanellopoulos, now considered to be the "right hand" of Mr Mitsotakis (as Mr E. Averof used to be previously) is associated with information that "Mitsotakis followers" and "supporting" deputies will be placed for the September session (during which it is expected that anti-leadership movements will flare up).

The N.D. leader did not assign Mr Giannis Varvitsiotis as temporary parliamentary representative as Mr Averof did last year, but kept him as the general secretary of the Parliamentary Team with two others as one of a three-member secretariat, the other two not having the status of mere substitutes. The other two are: Mr Nikos Gelestathis, deputy of the nome of Fokis, up to now the substitute secretary of the K.O. /Parliamentary Team/ (who is considered to be "law abiding", but also "in the anti-leadership camp of Mr K. Papakonstantinou") who was put on the same level as Mr Kon. Simaioridis, the "Mitsotakis follower" deputy of the nome of Kastoria and elementary school teacher, who was assigned as a member of the secretariat of the K.O.

Note that Mr Mitsotakis made known during a meeting of a higher collective party group that he decided to replace Mr Gelestathis with the excuse that the latter had served for one year as the substitute secretary of the K.O. Finally, he preferred to demote Mr Gelestathis and put him on the same level as his

picked man Mr Simaiforidis who, it should be noted, served as an appointed mayor of the junta. Mr Mitsotakis refused to agree with proposals that Mr Miltiadis Evert be appointed as general secretary of the K.O., not because he wishes to keep Mr G. Varvitsiotis in this position, but because he does not wish to upgrade the intra-party role of the former minister of Finance.

Yesterday, Mr Mitsotakis decided to assign syndicalist Mr Dionysis Bekhrakis as substitute chairman of the party, with authority in the sector of the EKO /Special Party Organizations/, duties he will undertake as soon as he returns from Germany. Mr Mitsotakis is doing this to have a trusted person on Rigillis St. as a counterweight to the "Evert sympathizer" chairman Mr Angelos Bratakos. The old organizational official Mr Pantelis Liatas has been appointed chief of EKO in replacement of Mr Brekhakis. Mr Liatas had been estranged from Mr Mitsotakis in the past because he had clashed with the former chairman of the party Mr Giannis Vaileiadis.

Mr Mitsotakis made changes and staff appointments in the crucially important (for the preparation of the Congress) Central Committee of the District Organization, appointing his known supporter, deputy of the nome of Irakleion, Mr Manolis Kefalogiannis as its chairman. Deputy At-large Mr Giannis Vaileiadis was appointed deputy chairman of the committee replacing Mr Pan. Bokovou and deputy of Piraeus Mr Pavlos Sarlis remains in the position of Executive Secretary, being a "former Papakonstantinou follower" who is considered to be law abiding.

Mitsotakis kept deputies Kon. Simaiforidis and Mssrs Aristeidis Tsipakos, Giannis Stathopoulos, G. Tzitzikostas and Nik. Kleitos, considered to be "Averof followers", in KEPO /Central Committee of the District Organization/ as supporting members. He also kept the "law-abiding" party officials Mrs Fani Palli-Petralias and Mr Kyriakos Stefanakos. He also "enriched" KEPO with two party officials of his own choice, Mssrs Pan. Meletakos and Alex. Adamopoulos, attorney.

9346
CSO: 3521/298

POLITICAL

GREECE

KKE HARDLINERS REPORTEDLY AGAINST PASOK

Athens ENA in Greek 11 Jul 85 p 11

/Text/ The latest developments lead to the conclusion that the supporters of the hard line predominate in the ranks of the KKE who foresee an immediate break with PASOK on all levels.

Of course, everybody believes that the official proclamation of war was only a matter of time since there are no disagreements between the two wings of the KKE, i.e. the leadership group of Kh. Florakis and the so-called hardliners, as far as the party's strategy vis-a-vis PASOK is concerned. It is common knowledge that the seeking of a third PASOK electoral victory is to be based more on the snatching away of votes from the Left than in the two previous elections. With some fatalistic attitude, a KKE cadre made the following remarks a few days ago at a political reporters get-together at the Chamber of Deputies' cafe:

"In 1981, it was the yearning for Change; in 1985, it was 'No to Karamanlis,' the socialist constitution and the bugbear of the return of the Right. In 1988 or 1989, it could be the denunciation of the bases agreement, a referendum on the EEC or a crisis in relation to NATO...."

In this light, the dilemma within the KKE related only to issues of tactics in its reckoning with PASOK, such as the timing, the intensity and escalation of the confrontation, the most appropriate area (domestic issues, foreign affairs, etc.).

The hesitation by the Florakis group over a direct break on all fronts was primarily based on the period of grace, following the violent electoral clash that left public opinion politically weary. Finally, the hesitation also indicated some recognition of the weakness of the KKE's mechanism --especially in trade union affairs -- to bring about a climate of social unrest to the detriment of the government.

The latter is what concerns the KKE most of all and most probably influences its decision over the timing and intensity of its confrontation with PASOK. In the past few weeks there were successive failures in attempts by ESAK-S (KKE) /United Antidictatorial Labor Movement-Cooperating (KKE)/ to mobilize strike demonstrations in which PASOK refused to participate and even opposed them. The charge that the KKE, with the cooperation of ND, is trying to undermine Change in the trade union field has to a large extent neutralized the militancy of the organized KKE workers.

This clash is much more acute and the result more painful for Kh. Florakis' party in socialized enterprises where the PASOK-dominated administrations openly urge them to fire communist trade unionists, thus decapitating and paralyzing the KKE's labor strength that also has an additional fear of unemployment.

PASOK's goal in using these tactics is not only to neutralize every possibility of the KKE's reacting in these fields of endeavor but also to attract the masses of the Left's workers and followers in view of the "danger" of Change's being dynamited.

Similar tactics for attracting and proselytizing KKE followers seem to be going on in the provinces also. They are primarily being aimed at those voters who are in a dilemma over "PASOK or the Right" and who had been persuaded by force to vote for A. Papandreu's party. Now, these voters are being called on by PASOK's local organs to become more active in "the building of Change" and, of course, to reject "its underminers."

A well-known KKE cadre has observed, "The known slogan with the ...green-colored cap that calls on us to move forward together toward the Greece of the year 2000 should remind us communists of the story of the wolf."

In the light of these conditions, it seems that the KKE has already taken steps to reduce the "free intercourse" of its electoral grassroots with that of PASOK's and to safeguard its territory from PASOK's attempt to infiltrate.

Following the first and necessary defense measures, it at once took offensive actions believing that the official declaration of war was more profitable party-wise than the undeclared guerrilla warfare that PASOK began.

It is not at all fortuitous that within a short 24-hour period of time last week the KKE:

- a) tabled a bill in the Chamber of Deputies calling for the abolition of the notorious Article 4 of Law 1365/83.
- b) dynamically put forward its opinion to the General Confederation of Tradesmen and Handicraftmen of Greece executive committee that is exclusively controlled by PASOK-KKE, with the issuance of a strong critical announcement over the government's statements on plans.
- c) moved forward, through the Federation of Builders, to a unilateral and illegal --according to the Ministry of Labor-- implementation of the 7-hour work day in the construction field.
- d) through an announcement by its political office, it criticized with unheard of bitterness the prime minister's position and handling of the EEC summit meeting in Milan.

5671
CSO: 3521/318

POLITICAL

GREECE

EEC POLL SHOWS MAJORITY APPROVE OF EUROPEAN UNION

Athens 1 KATHIMERINI in Greek 12 Jul 85 pp 1, 3

[Text] As reported by a statistical research of the EEC, eight out of ten Greeks, who express an opinion, are in favor of the European Political Union. It is pointed out that at the Milan summit meeting, the premier, Mr. Andreas Papandreu, passionately fought the proposals that had been submitted for the political unification of Europe.

The EEC statistical research reveals that:

Six out of ten Greeks are satisfied with the way democracy operates. The corresponding average ratio in the Community is five out of ten Europeans.

Six out of ten Greeks are for the abolition of controls and formalities at the intra-Community borders. The same ratio is valid for the entire Community while it is noteworthy that only three in ten Britishers share this view.

Eight in ten Greeks favor the creation of a European legal area.

In the Community as a whole, nine in ten Europeans are in favor.

Six in ten Greeks support the movement for the unification of Western Europe.

The corresponding Community ratio is eight in ten Europeans.

Five in ten Greeks believe that their country has profited by its participation in the European Community.

The same ratio also exists for the entire Community. Typically, only three in ten Britishers hold this view.

Five in ten Greeks consider that their country's participation in the European Community is a "good thing."

The corresponding average Community ratio is that of six in ten Europeans.

Four in ten Greeks are in favor of Spain's and Portugal's admission into the Community.

The corresponding Community-wide ratio is higher, six in ten Europeans are in favor.

Eight in ten Greeks, who express an opinion, are in favor of a European Political Union.

The corresponding Community ratio is lower. Seven in ten Europeans. Four in ten Greeks, on the other hand, are indifferent or did not answer and the same ratio exists Community-wide.

Five in ten Greeks consider that the European Political Union must go ahead even without the countries that do not agree.

The corresponding Community ratio is four in ten.

Eight in ten Greeks consider that the participation of Greece is necessary in order to have a meaningful European Political Union.

Only three in ten Europeans share this view.

Five in ten Europeans stated that they had either heard or read something recently about the European Parliament.

The corresponding Community average ratio is six in ten.

Four in ten Greeks hold a "good opinion" about the European Parliament while only three in ten Europeans agree with this.

Five in ten Greeks believe that the European Parliament plays a significant role.

The same is true for the average European.

Six in ten Greeks wish that the European Parliament would play a more important role and six in ten Europeans agree with this.

9731
CSO: 3521/296

POLITICAL

GREECE

REPORTED STRUGGLE BETWEEN PASOK 'TROIKA' MEMBERS

Athens AKROPOLIS in Greek 14 Jul 85 p 4

/Excerpts/ While PASOK is maintaining by all means possible its fronts open toward New Democracy and the two communist parties, its destructive war "of cliques" has entered a new phase.

The reason for this new intensity of intra-party rivalry is, of course, the expected government reshuffle (or rather restructuring) as well as the choices to be made, rather substantial ones too, such as the "Movement's" intervention in the state apparatus, a position stated by the prime minister himself.

Besides the personal struggle among various PASOK cadres to ensure themselves a position in the government, opposing groups are "crossing swords."

On the leadership level, while the common goal of all remains Kastri, we have the following:

- Mr K. Laliotis, clearly strengthened and consolidated intra-party wise after the elections, who is fighting to promote personalities and ideas that suggest a "return to the roots of the "Movement."

This young ex-deputy minister is said to be insistently asking not to become a member of the government unless he were to be given responsibility for official propaganda. At this critical phase for PASOK, he prefers to assume all by himself the organizational restructuring of the "Movement's" party powers. In other words, on the pretext that he will do something that is generally recognized as indispensable for the organizational development of PASOK that was dropped since 1982 and, besides, this is one field that Mr Laliotis knows quite well.

His Goals

However, the real goal of the youngest member of the party executive office is to promote and develop his own personal influence in the "Movement." So that in this manner he may in one way or another increase his supports in the party mechanism, to place his own men in all key party positions that he does not control and consequently to become a powerful and substantial "absolute leader" of PASOK.

In this way and without being directly hurt by government policy, he would be able to improve his position threatening to activate the "Movement" against any attempt

by PASOK to break away from the "socialist prospect" that it had laid out.

Already, Mr Laliotis has often been attacking important associates of his for their actions and with Mr D. Rokkos of the executive office as an assistant he talks about "socialist morals" and about non-attendance at rallies that provoke and irritate ordinary people.

All of this, of course, is displeasing to the other "heirs apparent" who are drawing Mr Papandreu's attention to have him prevent Mr Laliotis, despite the former's liking and respect for the latter, to become all powerful in the party. They are asking that he either be made part of the government, indeed in charge of a secondary portfolio, or that intra-party balances be maintained and that Mr Laliotis should not alone undertake the reform of the "Movement" but having as assistants men of his confidence.

The Incident

Within the context of these frictions, a rumor has cropped up regarding a Papandreu-Laliotis incident that although it still is not true it does have a basis for fact.

- As a counterbalance to the increasing influence of his young associate, Mr Papandreu is trying to promote Mr Tsohatzopoulos as his "successor" who does not have important supports in the party mechanism. Thus, Akis is fighting to gather influence from his rise in government so as to be able to generally convince the "Movement's" cadres that it really is a question of the "Number Two" position.

- As for Mr Gennimatas, he is taking precautions. Without showing himself too much, he is trying to hold on to his supports in the party and is waiting.... He believes that in such trying times to come out on center stage is self-destructive. And from what it appears, Mr Gennimatas is gradually building his future without drawing the attention of others to him.

- Mr Koutsogiorgas, who promotes the myth that thanks to him and his proposals PASOK once again won the elections, is seeking to cultivate a picture of "the strong man" within the party. And, of course, he is asking to receive the "price" for "his great services" rendered prior to the elections.

Re-examination

Any thought of Mr Koutsogiorgas' rise is once again being confronted as being harmful by other "heirs apparent" who feel that PASOK must reason rather than curse. Especially opposed is Minister of Education Lazaris who, indeed, in case he were to be downgraded in the government reshuffle, has let it be understood that in this eventuality he would re-examine his relationship with the "Movement."

- Finally, Mr Alevras, since he succeeded in avoiding the trap of entering the government in a high but cosmetic position, is promoting old friends of his, experienced "old centrist" deputies instead of ambitious and inexperienced Marxists. For that reason there is concern in the "troika" that the president of the Chamber of Deputies is vacationing with the prime minister.

5671

CSO: 3521/308

POLITICAL

GREECE

BRIEFS

IMPROVEMENTS IN ATTIKI POLICE FORCE--The Rapid Deployment Force is being reorganized in an effort to improve law enforcement in Athens and in the Attiki basin in general. As announced by the minister of Public Order, Mr. Tsouras, the strength of the Rapid Deployment Force will be increased by 500 policemen and NCO's and there will be operating, until the end of August, the unified command, from which the crews of the radio patrol cars will be directed by using a different frequency and code to communicate with the officers of the Center. On the other hand, the Rapid Deployment Force will acquire new technical equipment and the number of radio patrol cars will be increased from 220 to 300 and motorcycles from 90 to 180. In addition to this, however, the patrol cars will be in operation 24 hours a day. [Text] [Athens TO VIMA in Greek 3 Jul 85 p 7]
9731

CSO:3521/301

POLITICAL

SPAIN

ALGERIAN PRESIDENT EMPHATIC ABOUT SPAIN'S AFRICAN ROLE

Madrid EL PAIS in Spanish 30 Jun 85 pp 8, 9

[Interview with Chadli Bendjedid, president of Algeria, on 29 June in Algiers by Ismael Lopez Munoz: "Bendjedid: 'Spain Still Has Responsibilities in the Sahara'"]

[Text] Algiers--Algerian President Chadli Bendjedid begins his first official visit to Spain tomorrow. Yesterday he met with a special correspondent from EL PAIS at his official residence in Algiers. He talked about the topics he will discuss during his trip to Spain and answered a questionnaire. A major point on the work agenda with the political contacts he will make in Madrid will be the Saharan conflict. The Algerian president understands that it cannot be ignored. "It is an important question for our area in which Spain still has responsibility. Therefore, we must work together to satisfy all interested parties. We are going to work out the formula for peace together." According to President Bendjedid, Spain can play a major role in the economic crisis of the developing countries and an active part in the North-South dialogue when it joins the EEC.

Question: Mr President, in a few hours you will be the first Algerian chief of state to officially visit Spain since your country's independence in 1962. Why has that visit taken so long? It is public knowledge that Algeria views its relations with other countries from a global viewpoint where politics condition economics and vice versa. Once the dispute over gas is resolved and the way opened theoretically for the reestablishment of the old level of economic relations, what does Algeria hope for from its political relations with Spain?

Answer: Every visit comes at its appropriate time. I am happy to visit your country and I am grateful to his majesty, King Juan Carlos, for the opportunity he has given me. I would like to add that the fact that there has not been a visit to Spain by an Algerian chief of state in no way means a lack of political communication between our two countries. You must remember that their majesties, Juan Carlos and Sofia, honored us with a visit. More

recently, Prime Minister Felipe Gonzalez visited us. There were also many visits back and forth by ministers.

As to the Algerian concept of relations with other countries, I would like to note our constant desire to promote friendly relations and cooperation with other countries based on mutual understanding and a balance of interests. Specifically concerning Algerian-Spanish relations, I think I can say that both parties want to develop a multifaceted bilateral cooperation and deepen political dialogue about many international topics of mutual interest. We have many things to tell each other.

Magreb Situation

Question: The Saharan conflict has divided the countries of the Magreb, especially Algeria and Morocco, for 10 years. The countries most interested in the area--like Spain, France, the United States and the Soviet Union--have been approached by both Rabat and Algiers. This has hurt Spain's relations with Morocco and Algeria. Today all the countries are trying to keep the Saharan conflict from affecting their relations with Morocco or Algeria. How has the Saharan problem affected Spanish-Algerian relations? What positive contribution could you ask the Spanish Government for?

Answer: The Western Sahara conflict has considerably strained the political climate of the Magreb for 10 years now. You know the historical, political and legal background of this conflict, the result of a poorly done decolonization process. You also know Algeria's position that is based on principles and similar to the position adopted by the OAU and the United Nations. I want to stipulate that Algeria does not "ask" anything from any country. Algeria has explained its position to each and every one and assumes that the individual positions of the other countries agree with or, at least, do not contradict the position of the international community as presented in the United Nations. Naturally if some country offers to help bring Morocco and the Polisario Front closer, trying to carry out the African and international peace plan, we can only offer congratulations. That is what Algeria is trying to do. As to Spain, you know the relationship your country has with the people of the Western Sahara and you know that, by ending administration of the territory, your country has not declared itself free from every commitment--even if only political or moral--to the decolonization of the Western Sahara. Therefore, in our opinion, Spain's contribution can be important for the peaceful solution of the conflict that the people of the Western Sahara and Morocco face. Spain is an interested party in the international agreement to settle this conflict. Every effort to put this agreement into practice will be a positive step toward achieving peace.

Question: The Spanish Government has revealed its intention to establish diplomatic relations with Israel. After entering the EEC in 1986, the current situation will be even more unjustified. Most of the Arab countries have revealed their displeasure and some have even uttered veiled threats of reprisal. The Spaniards do not understand this Arab position toward Spain that is not held toward other countries like France, for example, which has relations with Israel. What is Algeria's position on this?

Answer: I would like to say, with complete frankness, that this subject must be considered from the viewpoint of the quality of relations between Spain and the Arab world and the understanding your country showed, before other countries did, about the just cause of the Palestinian people. The reactions you mention stem from the current concern in the Arab world about the new situation that will be created. This concern which Algeria shares is much more understandable since Spain's initiative comes at a time when the search for peace in the Middle East has not progressed due to the persistent denial of the national rights of the Palestinian people. Under these conditions, continued international pressure on the Zionist leaders is more important than ever. Every new action that implies a relaxation of that international pressure might reinforce these leaders' intransigence.

Question: Apparently sharing certain ideas is not enough to achieve good relations between governments. The relations between socialist France and Algeria are no better than the ones with the earlier government. Can this change? How do you view relations with the Spanish socialist government?

Answer: First, I must emphasize that Algeria has relations with different countries and in every case tries to safeguard its interests. At the same time, we are inspired by the desire to develop relations of cooperation and agreement with all those who show understanding of our needs and interests and respect them as we respect theirs. This is the case in our relations with France and Spain. Naturally there can be difficulties in our relations or these can arise later. Governments are specifically to iron out these difficulties and solve problems that can arise. This has been done with France and with Spain. If obstacles persist, I don't doubt that the goodwill of each side and dialogue will help us overcome them.

"Let the War End"

Question: The Saharan conflict has consumed a good part of the Moroccan and Algerian gross national product. Except in strategically unimportant cases like Tifariti and the regions south of Dajla, the Moroccan Army seems to dominate the territory while the Polisario Front seems to dominate international diplomatic efforts. Do you think we are looking at a conflict that could last another 20 years?

Answer: I think your statistics are unreliable. Since Algeria is not involved in any conflict or any particular war effort, its gross national product is not reduced, as you say, except by the necessary amounts for national defense and development. Neither do I agree about the division you make between Moroccan domination of the territory and the diplomatic reception of the Polisario Front's resistance. I want to remind you that national resistance to occupation is never over. Algeria can offer its experience as proof. I also want to stress that the resistance and action on the diplomatic front go together. In my opinion, the Polisario Front conducts its resistance based on this imperative. As to the duration of the conflict, Algeria is the last to want it to continue even 1 day longer, much less 20 years. This is intolerable for all those who place the peace and prosperity of the Magreb first and we are one of those.

Question: Given the difference in number of the Saharans who live under Moroccan administration, a referendum on self-determination should support the Moroccan point of view on the Western Sahara. Does Algeria think the conflict can be resolved by a referendum on self-determination? Is it true, as certain Moroccans claimed, that at the beginning of the year Algeria proposed the creation of an independent Western Sahara state joined to Morocco by a personal union?

Answer: I cannot predict the results of the referendum. I can say that there is a national awareness among the people of the Western Sahara. This national awareness exists among those who fight as well as among those who live with the Moroccan occupation. Algeria is in favor of the referendum and has officially endorsed it in the OAU. The problem is that the referendum must be free, fair, serious and believable. A referendum conceived in advance as a simple act of confirmation of the occupation does not meet those qualifications.

By Resolution 104 of its sixth /summit/ [in italics], Africa set up a plan. It indicated what the referendum should be and how it should be done.

Algeria is part of that African consensus that has also been accepted by the UN General Assembly and then the entire international community.

Morocco and Libya

Question: Some countries like Algeria have evidenced hostility toward the agreement between Morocco and Libya. Others like Spain have demonstrated some apprehension. What does Algeria think a year after this union? How does this union affect the balance in the Magreb?

Answer: Our evaluation of this union is the same. We said that this union arose as a tactical matter and was the result of calculations that are not in the interest of the stability of the region or for the objective of the united construction of the Magreb. A year of this union has confirmed our analysis. Regardless of whether Sudan or Chad join this union, it seems to me that these two countries would do well to worry about themselves and their own people instead of contributing, with the risks they must surely have weighed, to a situation in which they know the motives and the real objectives.

Question: Within the framework of a liberalizing opening, you spoke on 4 February of the need to amend the Algerian National Charter that is based on the irreversibility of socialism for Algeria. In your opinion, what should be changed in the National Charter and why?

Answer: I don't understand what you mean by liberalizing opening. What I do know and what I am convinced of is that the more than 20 years of building the nation, the evolution of the Algerian economy, the experience acquired in our institutional practices and a number of other imperatives make adaptations and adjustments necessary today. These adaptations and adjustments must be carried out so that our socialist plan for society be based on the evolution of society itself. The Algerian people and their party are the ones who must decide what should change in the Charter.

POLITICAL

SPAIN

PSOE'S GUERRA CHARGED WITH CONDUCTING DEFENSIVE CAMPAIGN

Madrid TIEMPO in Spanish 27 May 85 pp 32-34

[Article by Fernando Barciela: "Alfonso Guerra's Plan to Win the Next Election"]

[Text] Alfonso Guerra's "plumbers" have received instructions to oil the socialist campaign machine. The administration will focus its 1986 campaign on the battle against terrorism, the entry into the EEC [European Economic Community], democratic stability and the idea of modernization, which will replace the slogan "For a Change."

Alfonso Guerra is already getting set for the next general election. At the Moncloa, the deputy prime minister has alerted the famous team of the Prime Minister's Office, which is already compiling and processing electoral information from the ministries, while the first few slogans and strategies are being essayed. In Parliament the Socialists have received orders to "close everything up before summer," and the administration is pushing vote-getting measures. Inside the party, legislators and candidates are taking stands, dropping in on regional and provincial committee meetings to grab a spot on the next lists.

Alfonso Guerra is starting up his election machinery around this time. There are persistent reports that the famous Moncloa "plumbers," led by Roberto Dorado, the cabinet chief of the Prime Minister's Office, are already looking into ideas for the socialist platform at the upcoming election. A source close to the cabinet told TIEMPO that "it stands to reason that ideas are beginning to be set in motion, inasmuch as you can't put together an election platform in a couple of days."

Dorado's men are starting to analyze all of the information that is available to them in the Moncloa's files. Once or twice a year, each of the ministers' technical cabinets sends Dorado a detailed list of all the department's activities. Standard forms have even been prepared that each minister's staff is supposed to fill out, including information on issues ranging from appearances by the minister, interviews and trips to laws and decree-laws passed, image-enhancement operations and specific reforms. All of this information is being dusted off now, and the ministries are being urged to send in any pending reports.

While the first steps are being taken at the Moncloa, a similar atmosphere is starting to take hold in the PSOE [Spanish Socialist Workers Party]. The election studies sector, which comes under the Image Secretariat and is run by Luis Perez, a brother of the popular cartoonist Peridis, is stepping up its activities, which have so far been more or less immersed in routine. Discussions of possible campaign strategies are becoming increasingly common at Executive Committee meetings.

From these discussions seems to have emerged one of the most likely keynotes of the upcoming election campaign: the idea of modernization. Just as the idea of change was the hub of the 1982 campaign, Felipe Gonzalez has shown an interest in having the 1985/86 campaign revolve around the idea of modernization. The word is being repeated almost tiresomely in the various PSOE circles. The prime minister has been pushing this campaign idea since the 30th Congress, and in recent months it has become almost an obsession with him.

Closely tied to the idea of modernization is the selling of the EEC entry. For the time being, the Moncloa's image experts have decided that it would be better to ease off on the campaign use of the EEC membership so that it can be brought up again as close to the election as possible. All of the ministries are getting ready to "sell" the Common Market. Dozens of symposiums, seminars and round tables are scheduled for the coming months, while the Parliaments of the 10 members ratify Spain's membership one by one between September and January 1986, with the resultant impact on public opinion.

Most of the sources consulted have explained that both Ferraz and Moncloa have clearly decided that the strategy of the upcoming campaign will be basically defensive. The administration will attempt to exploit all of its accomplishments, from the battle against terrorism to the entry into the EEC, including issues such as the democratic stabilization of the government. The administration also hopes that it can capitalize on an end to the crisis, counting on favorable findings in the forthcoming economic surveys.

The campaign is going to be much less ideological than in 1982, as the Socialists hope to thwart the strategy of Popular Alliance (AP), which has announced that its campaign will be based on specific issues. According to certain PSOE leaders, it is even going to be "a dull campaign." One source in the Ferraz Street machine explained that "right now the dominant idea is that we have to put out an overpowering list of all our accomplishments, including specifics like highways or engineering projects." The Socialists will stress that they have fulfilled a very large portion of their program and that the second Socialist legislature will not just be a carryover from the first but will start to strengthen cultural and technological ties with Europe, thus seeking to rebuff arguments from the centrist parties, the CDS [Democratic and Social Center] and the PRD mainly.

Activities on Hold

Almost all of the sources agree that the relative proximity of the elections is beginning to influence the Socialist administration's moves. "You can feel it in the air that activities are somewhat on hold," a ranking Education Ministry official explained. The Election Bill is being debated under the emergency procedures, and the hope is that all of the unpopular issues will be taken care of before the summer: the judiciary bill, the VAT (which might wait until the fall), the water bill, the abortion bill (because of the reaction it could trigger on the Right) and, especially, the pension bill.

The ruling party's campaign masterminds seem to be especially concerned about putting the pension issue behind them. According to the sources we consulted, this is the reason why the government has refused to enter into lengthy, troublesome negotiations. The initial plan was to postpone debate until the next legislature, but owing to the bankruptcy of the Social Security system and reports that Fraga would try to exploit "the PSOE's neglect," the party decided on this hasty, partial solution. But the mere possibility of a conflict between Nicolas Redondo and the administration just 15 days before the election means that it has to close the book on the matter as soon as possible.

In most of the ministries, state secretaries and directors general have received instructions to put the finishing touches on their main projects in the next few months.

The last few controversial decrees are being finished up, and work has already begun on the 1986 budget, so that everything is completely taken care of before the campaign kicks off in earnest. Major bills have stopped coming into the State Secretariat for Relations with the Cortes.

In the Council of Ministers, election considerations are starting to take precedence over other factors in administration decision-making. Guerra has received carte blanche from the prime minister in making such assessments. Miguel Boyer's economic policies are glaring cases in point.

For example, a great deal of attention is suddenly being paid to Galicia. The Santiago-Pontevedra Highway, which had been shelved, is going to be built after all, pursuant to a recent administration decision. The General Directorate of Traffic will begin a major road sign program in none other than Galicia.

Nomination Struggles

The nearness of the elections is especially apparent in party organizations, regional federation and provincial groups.

In many provinces, after the most recent regional congresses many deputies will have a tough time staying on, inasmuch as new Executive Committees will be drawing up the lists. One-fourth to one-fifth of the deputies

could be replaced at the next election, between 40 to 50 of the present 202. This is already prompting some major moves.

In Madrid, the situation is far from calm. Joaquin Leguina's position remains very controversial, and there are persistent rumors that a special congress could be called before the end of the year. If this were to happen, quite a few deputies would have problems staying on. The race to succeed the mayor of Madrid is also prompting a good many pre-election moves. Leguina, who has no chance to succeed Tierno, is already seeking agreements with a candidate who will not create complications for him or beleaguer him from the powerful Madrid mayor's office. There are three strong candidates: Jose Barrionuevo, Francisco Fernandez Ordóñez and Javier Solana. Solana is Leguina's choice, inasmuch as his relations with Barrionuevo are practically nonexistent.

Socialist Left, which has 21 of the 150 posts on the Federal Committee, is also starting to get set for the elections. Last Saturday this faction submitted a strategy document in which it states, for example, that "if the next socialist platform is not sufficiently change-oriented and continues moving to the Right, the faction will not run candidates in the general election."

Deputy Prime Minister Guerra will play the dominant role in the upcoming elections. The fact that "Txiki" Benegas is organizational secretary will not bring major changes. Guerra still dominates the party's entire campaign machine, which revolves around the cabinet of the Prime Minister's Office (run by Roberto Dorado) and the PSOE's image-enhancement section (headed by Guillermo Galeote). These two men, who are in constant contact, plus Julio Feo, who will step in at the last minute (3 months before the elections), are still the campaign chiefs.

Galeote and Luis Pérez will be the two major heads of the PSOE's image section. Galeote has his area divided into three departments: election studies, publicity and the press. The first is the most important and is run by Pérez, who is also deputy secretary of the Madrid Socialist Federation thanks to the Guerra-Leguina pact. Pérez, a friend of Alejandro Cercas, Guerra's top man in Madrid, and of most of the Moncloa "plumbbers," who are also Guerra's men, came out of Socialist Youth and has been doing all of the PSOE's campaign monitoring work.

Most of the men who prepared the 1982 campaign, including Roberto Dorado, are still at the Moncloa. The 31-year old Ignacio Varela, Dorado's assistant, is in charge of election and voter-impact analyses in the cabinet. A Guerra man all his life and an attorney who has belonged to the PSOE for 11 years, Varela has almost always worked as a party and parliamentary bloc official and has been involved in almost all election campaigns. He is Dorado's right-hand man, as Pérez is Galeote's.

Although the first steps are now being taken, it will not be until summer's end that certain major issues are decided, such as which new people will be brought into Galeote's image section, inasmuch as many of

his previous men hold public office now. The campaign cabinet will not be put together until November, and the same goes for the platform drafting teams, which were run by Joaquin Almunia in 1982. For the time being it is not known who will head them up in 1985-1986, though the name of Francisco Fernandez Marugan, another staunch Guerra man, is being mentioned all the time.

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POLITICAL

SPAIN

POLLS SUGGEST PSOE SUPPORT SOFTENING

Relentless Erosion

Madrid ACTUALIDAD ECONOMICA in Spanish 27 Jun 85 pp 18-21

[Text] The reform of pensions, the progress of employment, terrorism and espionage on political parties are preventing Felipe Gonzalez and his government from capitalizing, in their favor, on Spain's entry into the EEC. The announced changes in the cabinet seem necessary. In spite of this, PSOE [Spanish Socialist Workers Party] is winning in comparison with other parties, while the opposition to Spain's joining NATO is maintained.

Popularity: Record Low

The image of the prime minister of the government continues to deteriorate. The slow decline that it underwent a few months ago has accelerated during June, a month which shows the lowest result for Felipe Gonzalez' popularity in the 19 BAROMETRO surveys. The improvement in the indexes on the prime minister's acceptance among Socialist voters has been unable to offset the obvious deterioration in his image among the other electorates. This moderate, gradual drop in popularity also applies to all members of the government. The "good" assessment has dropped by over 3 points, while the "bad" has risen by nearly 5 points. The final result is a negative neutral vote (-6.4 percent), lower than ever.

The reasons for this new loss of popularity must be sought in the impact on public opinion caused by such issues as the reform of pensions (clearly unpopular), the negative progress of the economic indicators (especially unemployment), the new terrorist escalation and the major scandal (including a parliamentary debate) originating in the suspicions of espionage on political parties presumably ordered from the Ministry of Interior. All these issues have prevented the government from reaping the good image accrued following Spain's entry into the European Economic Community (EEC).

Nevertheless, this decline in image has not become an immediate loss of voters for the PSOE. Many of the Socialist voters now criticizing their leaders are maintaining their vote for the party, in view of the lack of credibility of other options.

What is your opinion of the current prime minister of the government, Felipe Gonzalez?

Overall

	Dec 83	Apr 84	Aug 84	Dec 84	Feb 85	Apr 85	May 85	Jun 85
Good	54.1	46.6	45.3	39.8	36.3	36.8	36.9	34.8
Fair	29.2	30.3	31.4	35.6	36.5	33.1	34.2	33.7
Poor	12.3	18.3	19.8	20.5	24.8	26.8	26.4	28.6
Neutral vote	41.8	28.3	25.5	19.3	11.5	10.0	10.5	6.2

What is your opinion of the current government of the nation?

Overall

	Dec 83	Apr 84	Aug 84	Dec 84	Feb 85	Apr 85	May 85	Jun 85
Good	39.4	35.5	32.7	27.8	27.9	27.8	30.1	26.9
Fair	38.5	36.0	38.7	40.9	41.5	37.2	38.4	36.5
Poor	17.6	24.4	24.5	26.5	27.8	31.4	28.5	33.3
Neutral vote	21.8	11.1	8.2	1.3	0.1	-3.6	1.6	-6.4

PSOE, Only Alternative

To complete the "punch" of leaders from the previous survey (see ACTUALIDAD ECONOMICA No 1408), those polled were asked to choose between two political parties. The results confirm the identification that exists between leaders and parties.

If you could only choose between two political parties or coalitions in elections, which would you select in each instance?

Parties

PSOE: 54.0	AP: 23.9
PSOE: 51.2	PRD: 20.7
PSOE: 49.0	CDS: 24.8
PSOE: 50.0	PCE: 10.0

Coalitions

PSOE:	48.5	AP-PRD-CDS: 27.7
PSOE:	47.4	PRD-CDS: 26.0
PCE-PSOE:	44.6	AP-PRD-CDS: 29
CDS-PSOE:	48.9	AP-PRD: 24

NATO, Difficult Commitment

And, ultimately, NATO, an issue the importance of which is increasing as the end of the current legislature approaches. The enigmatic referendum on NATO imposes conditions on any type of electoral hypothesis. The consequences that its results may have for the political forces as a whole (especially for the party which supports the government) are difficult to predict, both if they are positive (in the event that it is held), and if they prove negative for the government's positions. The public maintains its opposition to Spain's remaining in the Atlantic Alliance, despite the recent statements by the Socialist Party and the Atlantic-oriented commitments outlined by Felipe Gonzalez. Nevertheless, there is a continuation in the progress made by the groups of the public favoring integration and the maintenance of the current status. Until a few months ago, the opposition to NATO had usually been twice that represented jointly by the options favoring some type of integration.

In your opinion, what type of relations should Spain maintain with NATO?

Overall

	Dec 83	Apr 84	Aug 84	Dec 84	Apr 85	May 85	Jun 85
Total integration	13.7	18.4	11.2	13.0	15.8	14.7	13.1
Integration only in the political organiza- tion, but not in the military	20.2	17.1	17.9	19.4	19.6	18.3	16.5
Total departure	49.2	41.8	48.4	46.8	41.4	45.6	45.5
Don't know/no answer	17.1	22.7	22.5	20.8	23.2	21.4	24.8

Stability has been the usual tone during the past 8 months insofar as the popularity of the prime minister and his government are concerned. This month, two events took the lead on the current political scene in our country: the entry into the European Economic Community and the controversy over the reform of pensions. And, if both have influenced the popularity of the members of the government, it must be concluded that the negative effect of the latter has far exceeded the positive effect of our integration into the EEC.

Perhaps for this reason, Felipe Gonzalez' "good" image declined 2 whole points (from 36.9 to 34.8 percent), virtually the same percentage of the increase in "poor" opinion. The difference between the former and the latter (neutral vote), which stood at 10.5 percent last month, has now reached 6.2 percent: the lowest assessment of the prime minister's popularity in BAROMETRO's 19 surveys.

That final result has been reached despite an improvement in image among Socialist voters, which is offset by an obvious deterioration among the other

electorates: Only 3.7 percent of the Alliance supporters (compared with 12.6 percent in May) and 21.1 percent of the Communists (compared with 23.9 percent) retain a "good" opinion of the prime minister.

Few Changes

A similar but even more marked process has affected the government. The "good" evaluation has dropped from 30.1 to 26.9 percent; while the negative one has increased from 28.5 to 33.3 percent. The final result is a neutral vote which rose from 1.6 percent in May to 6.4 percent at present. Some very recent statements by Felipe Gonzalez indicate a likely remodeling of the government.

Has that deterioration in image been turned into a loss of voters for PSOE? It has already been noted on repeated occasions that the increase in criticism of the prime minister of the government is not immediately correlated with a change in voting preferences.

The intention of voting for PSOE is 40.3 percent, only two tenths over that of last month. However, AP [Popular Alliance] has lost an entire point, reflecting 27.5 percent. The difference is still definitive. PCE [Spanish Communist Party] has again exceeded 7 percent, and CDS [Social Democratic Center Party] has been confirmed at about 6 percent. Among the other minority groups, the only noteworthy point is the lack of entrenchment (to date) of the reformist plan, because on this occasion PRD [Democratic Reformist Party] did not even reach the point of an intention of voting.

PSOE and CDS, the Most Receptive

It has been noted in various BAROMETRO surveys that Manuel Fraga's main problem is his meager acceptance among the groups of voters from parties other than his own, which to some extent limits his potential electoral expansion.

As a supplement to the "punch" of leaders in last month's survey, those polled were asked, in the event that they could choose only between two political parties in general elections: "Which would you choose in each of the following options?"

The conclusions are:

PSOE would always win, whatever its opponent were, doing so more easily when opposing PRD than when opposing AP, and when opposing AP than when opposing CDS.

AP would lose to all the parties, even to PCE which, in this contingency, would capitalize with the majority of the Socialist vote in its favor.

PRD would also lose to all of them, and also, like AP, to PCE, although with less of a difference.

CDS would be the party which would come closest to PSOE, although not much more than AP. Between PSOE and AP there are 30.1 points, and between PSOE and CDS,

24.2 points, in both instances favoring PSOE. The party of former Prime Minister Suarez would double AP and PCE in votes, and its victory would be even easier against PRD.

PCE would lose resoundingly to PSOE, and by less of a difference to CDS, but it would win with sufficient margin over AP, and by very little to PRD.

From all this one infers that PSOE could absorb for its benefit the centrist and leftist votes, and collect more votes the farther from the center its opponent was, as in the case of PCE and AP.

Since the average Spanish self-proclaimed position lies left of center (4.7 points), with 1 more to the left and 10 more to the right, the hypothetical confrontation among the parties located on the left of the political spectrum (as in the case of PCE) and those located to the right of the spectrum (as in the case of AP) would be resolved in favor of the left.

The aforementioned confrontation between PCE and PRD, which is resolved in favor of the Communists, leads to the deduction that PRD is as far removed from the average Spanish self-proclaimed position as is PCE, something that does not hold true of CDS.

If, instead of giving a choice between two parties, people are given two coalitions as an alternative, the following conclusions might be forthcoming:

PSOE, alone or with other closely related parties, would win in any of the confrontations.

If PCE were to accompany PSOE electorally, rather than causing an increase, it would make it lose votes and increase those of its rival.

If PRD were to accompany AP electorally, although in small volume, it would contribute votes to it, just as if it were to accompany CDS.

The coalition that would procure the most votes against PSOE would be that of AP-PRD-CDS.

Therefore, and despite the notable decline in the Socialist image, there is no apparent indication of a change of direction in the voting intentions and the party picture resulting therefrom. As BAROMETRO has noted, both actively and passively, three circumstances prevent this. In the first place, the grouping of the non-Socialist vote around AP, whose position far to the right represents an insurmountable leap for many voters who are simply moderate. Secondly, there is the fragmentation and lack of identity of the center, with a group lacking electoral substance, PRD, and another with a vote that is still testimonial, CDS; and both notwithstanding the increasingly marked Socialist moderation. At the other extreme, finally, there is a PCE whose lack of credibility and image of division still prevent it from recruiting the unquestionably widespread Socialist malcontents.

NATO, Unpredictable Referendum

The entire picture of electoral hypotheses is contingent on the resolution of the enigmatic referendum on NATO. Its consequences for the political forces (particularly in the party supporting the government) are difficult to foresee, both if it is carried out and if it is dropped; and in the first instance, both if it is positive and if it proves negative for the government's propositions.

While still awaiting the parliamentary debate announced for the fall, one thing is certain: the opposition to Spain's remaining in the Atlantic Alliance has been maintained, despite the statements from PSOE and the Atlantic-oriented commitment of Prime Minister Gonzalez himself. During June, the opinion favoring departure is 45.5 percent, in contrast to 13.1 percent favoring total integration and another 16.5 percent upholding the maintenance of the current status.

Socialist Domination: Parties

In the event that you could only choose between two political coalitions in general elections, which one would you choose in each of the following instances:

	Overall	Vote in October '82		
		PSOE	AP	PCE
PSOE	54.0	86.0	2.1	79.0
AP	23.9	4.4	94.7	0.0
Would not vote	13.8	5.6	1.6	15.8
Don't know/no answer	8.4	4.0	1.6	5.3
CDS	24.8	8.1	65.4	3.5
PSOE	49.0	81.7	3.7	70.2
Would not vote	16.4	4.2	21.8	19.3
Don't know/no answer	9.9	6.0	9.0	7.0
AP	21.4	4.0	92.6	0.0
CDS	41.4	59.2	5.9	29.8
Would not vote	24.8	22.7	0.0	64.9
Don't know/no answer	12.3	14.2	1.6	5.3
PRD	20.7	3.3	63.3	1.8
PSOE	51.2	85.0	3.7	70.2
Would not vote	16.9	5.2	22.9	24.6
Don't know/no answer	11.2	6.5	10.1	3.5
PCE	10.0	4.6	0.5	87.7
PSOE	50.0	82.1	16.0	10.5
Would not vote	27.5	6.0	67.0	1.8
Don't know/no answer	12.5	7.3	16.5	0.0
CDS	36.7	48.8	24.5	26.3
PRD	17.4	8.1	44.7	0.0
Would not vote	29.0	24.8	21.8	68.4
Don't know/no answer	16.9	18.3	9.0	5.3

Coalitions

In the event that you could only choose between two political coalitions in general elections, which one would you choose in each of the following instances?

	Overall	Vote in October '82		
		PSOE	AP	PCE
AP-PRD-CDS	29.0	6.0	93.6	0.0
PSOE-PCE	44.6	73.5	0.5	94.7
Would not vote	13.9	8.1	2.7	3.5
Don't know/no answer	12.5	12.3	3.2	1.8
AP-PRD-CDS	27.7	5.2	93.6	0.0
PSOE	48.5	82.1	1.6	79.0
Would not vote	13.2	4.8	1.6	14.0
Don't know/no answer	10.5	7.9	3.2	7.0
PRD-CDS	26.0	5.6	73.9	0.0
PSOE	47.4	81.3	1.6	77.2
Would not vote	15.9	4.8	19.2	14.0
Don't know/no answer	10.6	8.3	5.3	8.8
CDS-PSOE	51.4	80.8	3.2	56.1
AP	21.8	3.5	92.6	0.0
Would not vote	16.4	7.3	2.1	38.6
Don't know/no answer	10.4	8.3	2.1	5.3

The Reformist Decline

Voting Intention with Projection of Undecided

	Vote '82	Dec '83	Jan '84	Dec '84	Dec '84*	Apr '85	Apr '85*	May '85	May '85*	Jun '85	Jun '85*
PSOE	48.4	40.3	37.8	35.1	41.6	34.3	39.6	33.7	40.1	35.4	40.3
AP	26.1	24.4	25.8	24.7	26.5	28.3	29.6	25.9	28.5	27.0	27.5
PCE	4.1	4.7	5.1	4.9	5.8	4.6	5.6	6.1	7.0	5.9	7.2
CDS	2.9	2.4	1.6	3.8	5.4	5.1	6.4	5.1	6.1	5.2	6.0
CiU	2.7	3.2	2.6	3.2	3.3	3.1	3.5	2.9	3.4	3.0	3.4
PNV	1.9	1.7	1.6	2.0	2.1	1.9	2.0	1.9	1.9	2.1	2.1
EE	0.5	0.4	0.3	0.5	0.6	0.6	0.6	0.5	0.5	0.6	0.6
HB	1.0	0.8	0.8	1.0	1.1	1.1	1.2	1.0	1.0	0.9	1.1
PRD	-	-	-	0.5	0.8	1.1	1.3	1.3	1.5	0.8	0.9
Others and undecided											
without projection)	12.4	22.1	24.4	24.3	12.8	19.9	10.2	21.6	9.9	19.1	10.9
Abstention decided on census					14.0		12.6		9.3		9.4

* With projection of undecided

AP's Support Understated

Madrid CAMBIO 16 in Spanish 10 Jun 85 pp 51-54

[Text] The upward trend in the Socialist vote, stability in the voting intentions among the Popular parties' electorate, a slight recovery for the Communists, Suarez' party with 5 percent assured and Roca's Reformists still not off the ground are the summarized changes undergone in the ECO-CAMBIO 16 poll for the month of May.

Despite the monthly ups and downs, the evolution in voting expectations is again showing a great stability in the political sympathies of the voters, in comparison with the results accrued in the last general elections.

The erosion entailed in governing does not seem to have affected Felipe Gonzalez' party. Its potential voters either are satisfied with the way in which the Socialists are operating and with what they have done, or else they have not found a better alternative for which to cast their vote within the political panorama.

The final tendency among the voters is summarized in the graph on voting expectations, with the vote of the undecided cast on the basis of their sympathies, previous vote and other quantifiable criteria. But in a direct response, 13 percent claim that they will not vote and 25 percent do not answer or do not yet know for whom they would cast their vote.

The ECO-CAMBIO 16 poll has obtained the population's voting preferences in different sections. The latest results accrued by the parties on the national level, based on the manner in which the data are presented, are as follows, taking the voters as a base:

	Direct response %	Direct plus sympathy %	Estimated final vote %
PSOE	34	41	44
AP	17	18	28
CDS	4	5	5
PCE	4	5	5
PRD	1	1	1
Don't know	29	17	-

As may be observed, the two leading parties show a major difference between the direct voting intention stated by the person interviewed and the estimated final vote. But the evolution of both is different, and different interpretations are involved.

PSOE increases its percentage in the following section, wherein there is consideration of the party for which the person interviewed says that he has

more sympathy. This means that there is 7 percent of Socialist sympathizers (equivalent to one out of every five PSOE votes) who currently are unsure of voting for their preferred party. It may be said that they are the ones most dissatisfied with their favorite party's managing of the government, to whom would have to be added the 3 percent by which the estimated final vote increases, consisting of former voters who are currently in the doubtful category.

Something completely different occurs in the case of the Alliance or Popular Coalition vote. In the opinion studies, there has occurred a phenomenon of concealment of preference, as if a portion of their voters felt a certain amount of embarrassment in stating that they would vote for the right, and even in admitting that they had previously voted for it. Therefore, in nearly all the polls, the direct vote for Popular Alliance and its coalition members turns out below its actual figure. Even in the section involving sympathy (which is where PSOE rises), AP scarcely undergoes any variation. So the experts on election polls must resort to a series of quantifiable precedents that will make it possible to gear the right's electoral strength to reality; particularly when, as in this poll, the published calculations are based on the individuals who will vote, and there is also an attempt to make the estimated percentages comparable to the results officially accrued on the day of the actual elections.

Thus, one out of every three voters among all Spaniards who claim not to know the party to which they will give their confidence or for which they feel the most sympathy is awarded to Popular Alliance.

Felipe Gonzalez is the only political leader who is clearly approved by Spaniards, despite the fact that the preferences for voting for him as prime minister of the government have suffered a major decline, standing at the lowest point in their history.

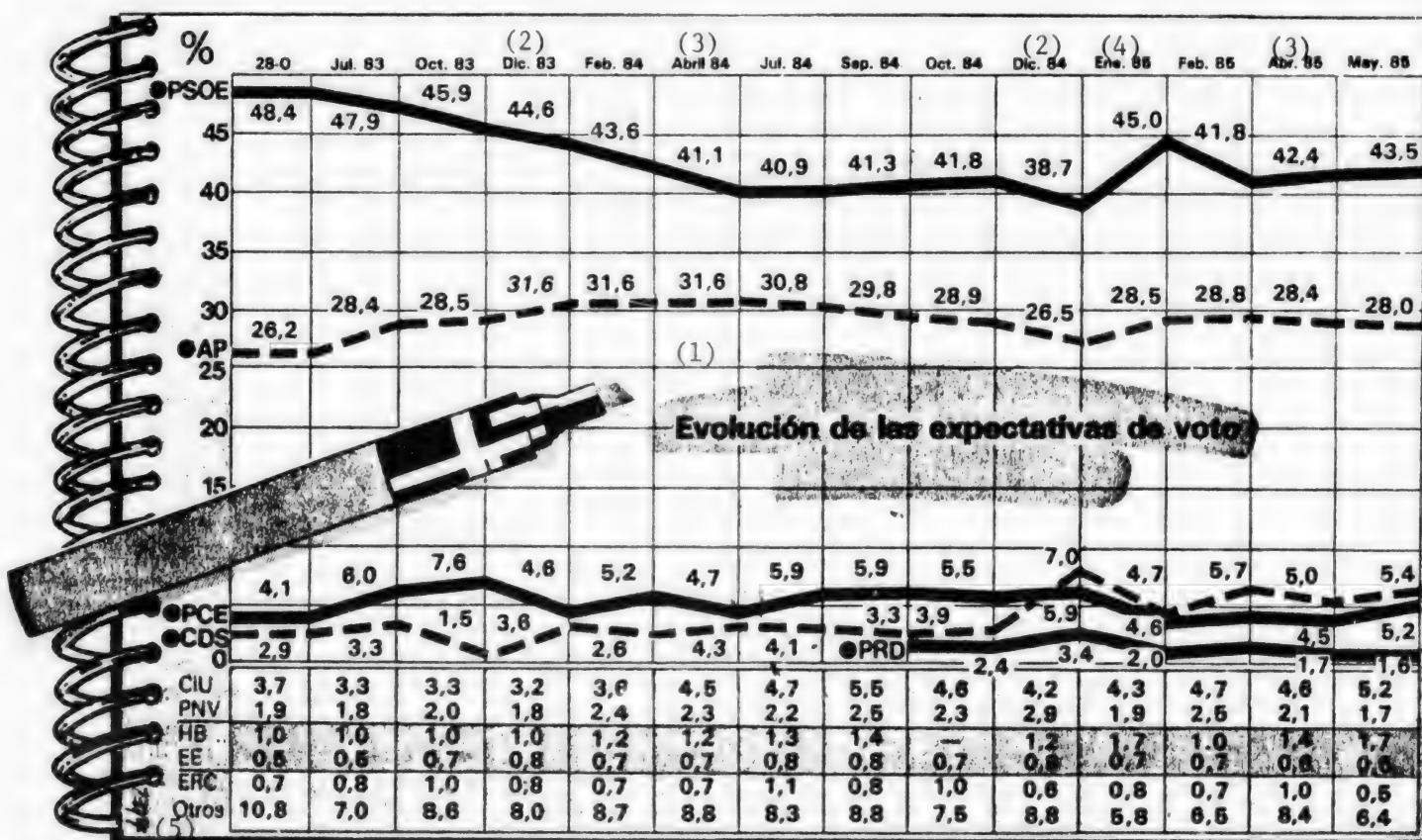
Those polled have approved, rather than disproved, only Felipe Gonzalez, Adolfo Suarez and Alfonso Guerra; they balance their percentage of disprovals and approvals for Miguel Roca, Jose Antonio Ardanza and Antonio Garrigues; and there are more Spaniards who disprove than approve Oscar Alzaga, Manuel Fraga, Jordi Pujol and Gerardo Iglesias.

The various polls on Spain's remaining in NATO which have been published to date seem to make clear a matter which may be of major importance: the manner in which the question is phrased will be critical in winning or losing the referendum.

For example, a terse question wherein all that is asked is the answer as to whether "Spain should remain in NATO or not" brings higher percentages of negative answers than a more explanatory question. In the ECO-CAMBIO 16 periodic poll, it was opted to include a brief text that would reflect the summary of what the prime minister of the government said in his speech on the state of the nation last October.

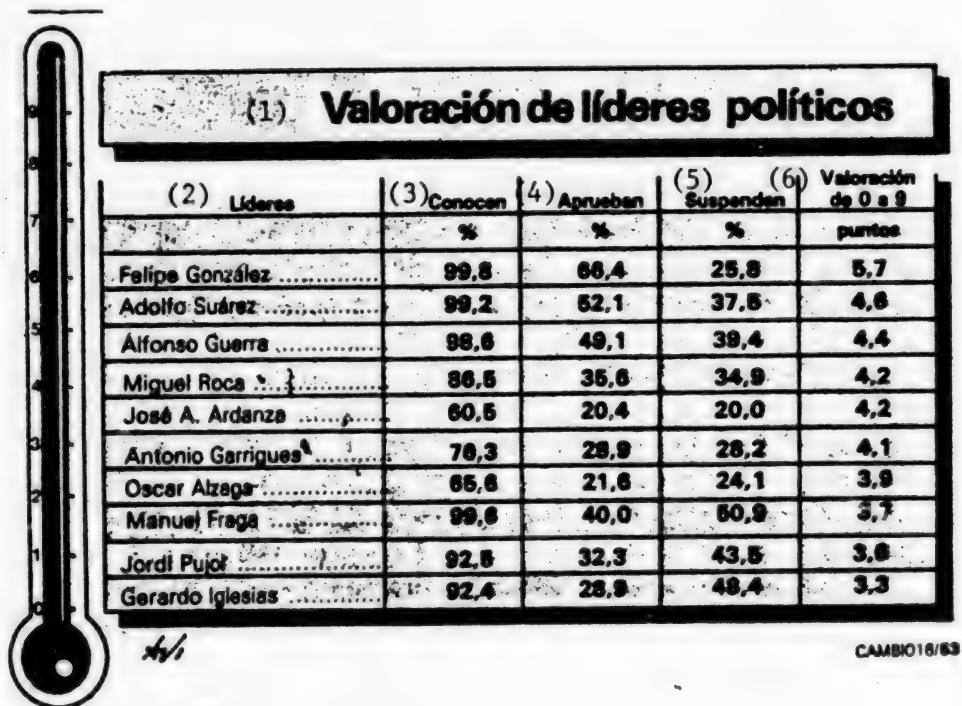
Thus, 5 months ago, those interviewed were asked to respond favorably or unfavorably to the following question: "Should Spain remain in NATO, without becoming integrated into its military structure and with the North American military presence in Spain reduced?" The latest data, for the month of May, indicate that 36.5 percent of Spaniards are favorable toward this question, while 39.2 percent are opposed to remaining in NATO and 24.3 percent have no opinion.

In the comparison with the previous month, one notes a slight 2-point decline for the "yes" vote, which increases the number of those advocating "no." It would appear that President Reagan's recent visit has not served to raise the number of advocates of the Atlantic Alliance, but rather the contrary. Nevertheless, the balance between those favoring and opposing Spain's remaining in NATO constitutes the tone during the past 2 months. It is the opinion of the middle class, advancing or declining in the "yes" vote, which could ultimately sway the balance to one side or the other, when one considers that this other 24 percent without an opinion will hardly go to the polls when the time comes. At present, the expected participation reckoned by the current poll is 49 percent.



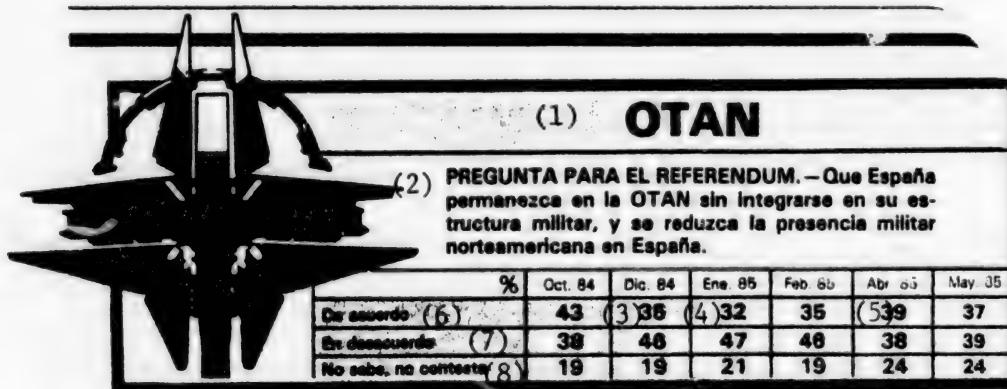
Key to Graph:

1. Evolution of voting expectations
2. Dec
3. Apr
4. Jan
5. Others



Key to Chart 1:

1. Evaluation of political leaders
2. Leaders
3. Know
4. Approve
5. Disprove
6. Evaluation from 0 to 9 points



Key to Chart 2:

1. NATO
2. Question for the referendum: That Spain should remain in NATO without becoming integrated into its military structure, and the North American military presence in Spain should be reduced.
3. Dec
4. Jan
5. Apr
6. Agree
7. Disagree
8. Don't know, no answer

Position of Electorate Hardens

Madrid ACTUALIDAD ECONOMICA in Spanish 30 May 85 pp 14-19

[Text] Which Spanish political leader has the most electoral "clout"? To find out with some degree of accuracy, ACTUALIDAD ESPANOLA's "Barometro" has proposed a theoretical electoral confrontation among them, in addition to the usual issues. The concrete question is this: "Among the political leaders that I list for you below, in pairs, which of each two would you elect as prime minister of the government?" The responses indicate that Felipe Gonzalez would win in all contingencies, although the shifting of the electorate is significant, depending on who the rival is.

Gonzalez Gains Adherents From the Right of Him

After the October 1982 elections, quite a few analysts agreed that Felipe Gonzalez had achieved a twofold victory: on the one hand, an absolute majority unprecedented in multiparty Spain; and on the other, no less importantly, the construction of a conservative opposition which, owing to its unstable electoral clientele and political leadership, could hardly jeopardize the Socialist hegemony over the medium term.

The intentions of voting for parties, which "Barometro" has been reflecting during the past 19 months, makes this obvious. In the current survey,

"Barometro" has investigated a complementary aspect of this same problem: how the voting intentions of Spaniards would be distributed if there were only two candidates for the position of prime minister of the government. This also makes it possible to ascertain whether the present Socialist-Popular dichotomy is based on our country's sociological reality.

Consequently, a question was included wherein those queried were asked to choose between different options: they had to do so between two (and only two) candidates for the prime minister of the government. The conclusions that may be most directly drawn from the results are:

Felipe Gonzalez would always win, regardless of who his opponent was. His easiest victory would be over Manuel Fraga, closer against Miquel Roca and even less opposing Adolfo Suarez.

Manuel Fraga would lose to all the proposed candidates, with a greater to a lesser difference: Felipe Gonzalez, Adolfo Suarez and Miquel Roca. He would also lose in a hypothetical confrontation with Gerardo Iglesias, with the latter receiving the majority of the current Socialist votes when faced with the alternative of Manuel Fraga.

Roca would win over Fraga and would obviously lose to Suarez, although he receives more preference than the latter among the Popular Coalition electorate.

Suarez would win over everyone except Gonzalez, although when opposing the latter he would agglutinate on his behalf a considerable portion of the AP electorate, 12.6 percent of the former Socialist voters (representing over 1.25 million absolute votes) and also 9 percent of the Communist voters.

Gerardo Iglesias would lose to the rest of the candidates except for Fraga. Nevertheless, it is significant that, when opposing Felipe Gonzalez, he may receive 11.2 percent of the voting intention, originating largely in a 10 percent Socialist vote, which amounts to a million in absolute terms.

From all this some common sense observations may be inferred. In the first place, that Felipe Gonzalez currently appears as a leader who could hardly be defeated by any competitor. Furthermore, his most visible opponent, Manuel Fraga, is also his most comfortable "sparring partner," to the point of losing even with the parliamentary party representing the most radical left, PCE.

The only leader with sufficient personal charisma to come close to the current prime minister is Adolfo Suarez. In any event, the fight that he has waged with Miquel Roca over the center leadership appears to be definitely decided in his favor.

Finally, once again there is evidence that the "useful vote" benefits PSOE as opposed to the minority parties surrounding it, CDS and PCE; because 12.6 percent of the Socialist voters, despite the fact that they vote for PSOE, prefer Adolfo Suarez, and 10 percent prefer Gerardo Iglesias' party.

Last month, Prime Minister Gonzalez confronted two problems marked by heavy controversy among the public: President Reagan's trip and the reform of the pension system. In both instances, he met with notable opposition in his own ranks: Socialist leaders and closely related organizations have expressed their obvious aversion to the American chief executive; and UGT [General Union of Workers] aimed its sights at Boyer and Almunia, rejecting the government's proposals for the new pensions.

This being the case, Prime Minister Gonzalez has lost some more acceptance among Socialist voters, moving from 51.8 to 46.5 percent. The loss of image among the Socialist and Communist voters has been offset (perhaps for the same reason from a opposite standpoint) by a correlative gain of favorable opinions among the Alliance voters. Therefore, his neutral vote (interpreted as the balance between pro and con opinions) remains constant.

Those transfers of supporters do not appear to be affecting the government, which retains the same low "neutral vote" that it had a few months ago: Its average national balance is 1.6 points, corresponding to 40.3 among Socialist voters, 42.7 among Alliance members and 20.9 among the Communists.

The leader of the majority opposition has also retained his popularity level of previous months as a result of the considerable self-satisfaction among his voters and a no less considerable rejection of the others. As an innovation, the 19th "Barometro" survey has gauged Adolfo Suarez' acceptance, confirming what has already been noted in the analysis of alternative candidates: his "neutral vote" (-8.2) is nearly 19 whole points under that of Felipe Gonzalez, but higher by as much than that of Manuel Fraga.

That leads Suarez to retain his second position in the "ranking" of leaders, immediately ahead of Alfonso Guerra, who has again dropped 2 points. In that "ranking" it is noteworthy that Miquel Roca is increasingly nearing fourth place currently held by Fraga. Finally, Gerardo Iglesias and Santiago Carrillo have fallen back, as a shared result of their private controversy, although the former has managed to gain again over the former secretary general.

Voting Intention: Nearly Everyone Is Repeating

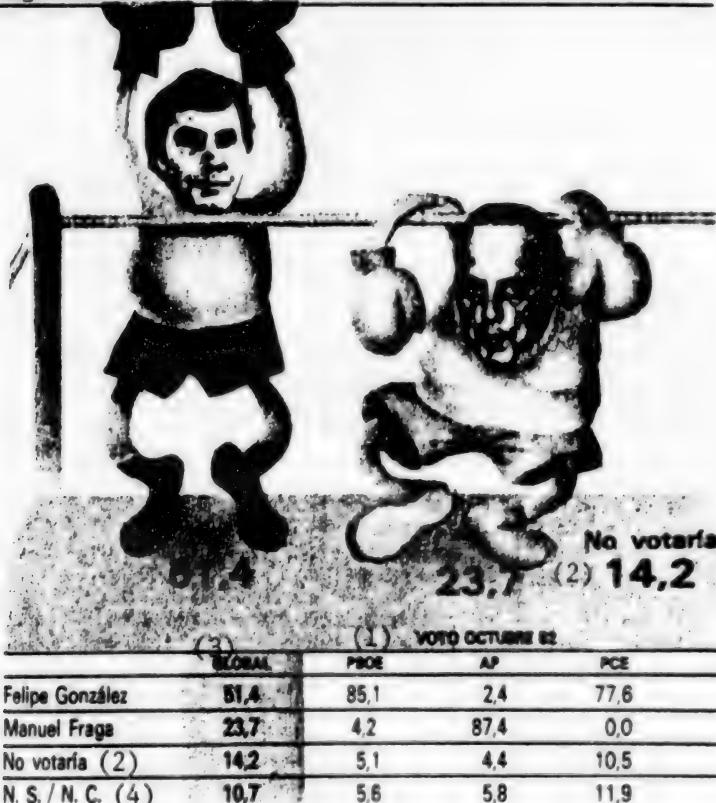
Both Alliance members and Socialists are repeating in their voting intention, with a projection of undecided from the previous month: 28.5 and 40.1, respectively. The same thing holds true of the Roca-Garrigues twosome's PRD which, after 3.6 percent last March, has returned to an insignificant 1.5 percent. Perhaps the only significant variation is that of PCE, which has recovered from last month's loss and, with a precise 7 percent voting intention, has increased the votes accrued in October 1982 by three quarters. CDS, which has lost its newly acquired third place upon PCE's advancement, with its 6.1 percent has reconfirmed its highest standing in voting intentions. The origin of this new CDS vote is part of the former UCD vote and 3.2 percent of those who recall having voted for PSOE in 1982.

NATO After Reagan: More Advocates of Departure

There was particular suspense over the data on the impact of President Reagan's visit on the Spanish public; in short, regarding the extent to which the visit might contribute to greater or lesser acceptance of the Atlantic Alliance by Spaniards. It should also be recalled that the interviews in this survey were held during the week immediately following his stay in our country

Well, the data are revealing: Those favoring departure (45.6 percent) increased by 4 whole points from the preceding month's figure; those advocating total integration and maintenance of the present status lost over a point; while the abstention dropped moderately. It should be noted that the increase in those favoring departure is mainly a result of the correlative increase in Socialist voters.

Hence, it has been confirmed for the umpteenth time that the NATO issue is among those questions wherein the social majorities are in contradiction with the parliamentary majorities.



Key to Table 1:

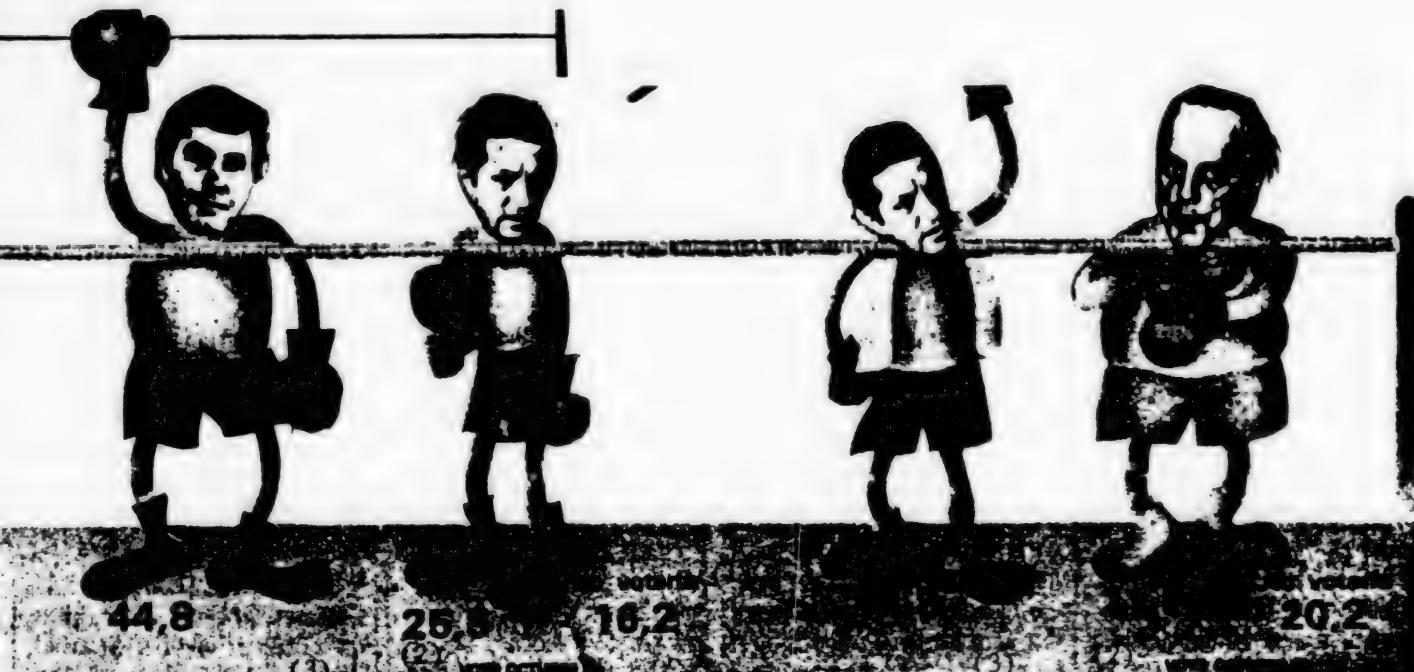
1. Vote, October '82
2. Would not vote
3. Overall
4. Don't know/no answer



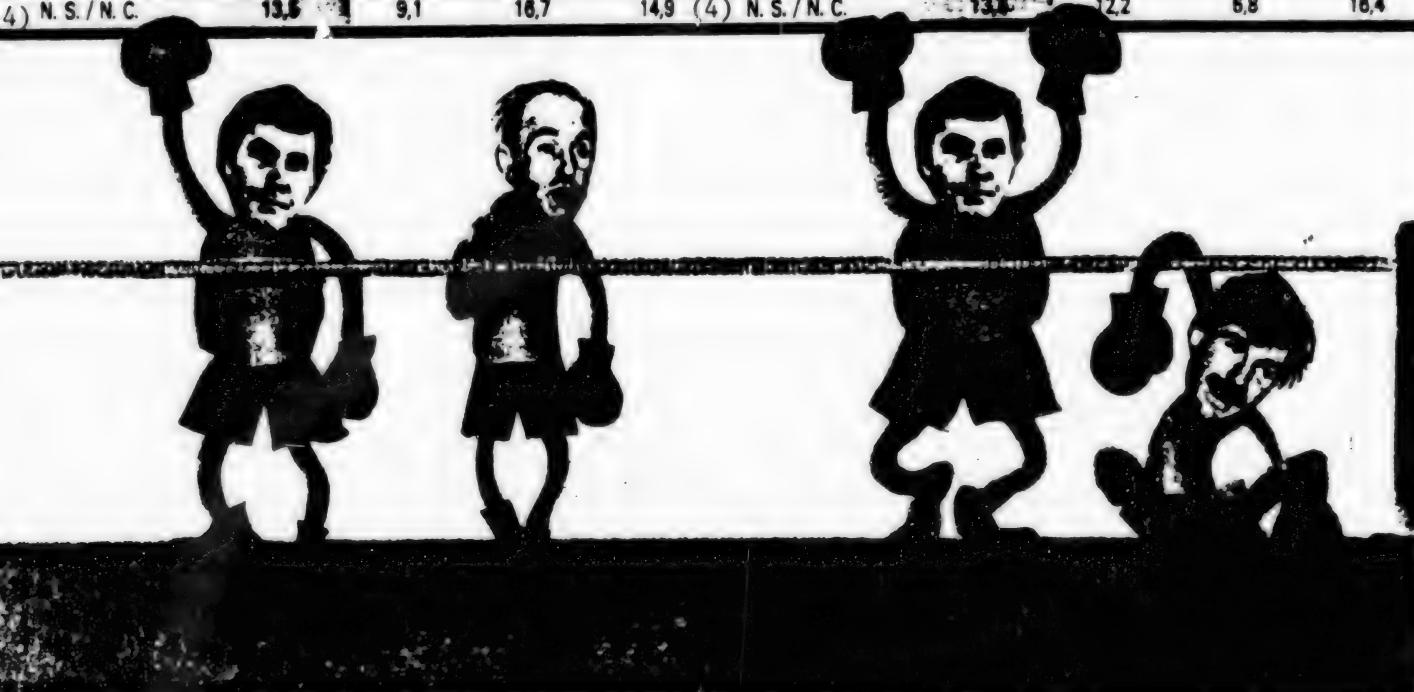
(3)	(2) VOTO OCTUBRE 82			(2) VOTO OCTUBRE 82		
	PSOE	AP	PCE			
Miguel Roca	34,2	8,2	22,4	Miguel Roca	14,9	37,2
Manuel Fraga	8,7	79,2	3,0	Adolfo Suárez	54,2	32,8
No votaría (1)	36,9	3,4	53,7	No votaría	16,7	41,8
N. S. / N. C. (4)	20,2	9,2	20,9	N. S. / N. C.	14,2	15,3
						19,4

Key to Table 2:

1. Would not vote
2. Vote, October '82
3. Overall
4. Don't know/no answer



(3) VOTO OCTUBRE 82		(2) VOTO OCTUBRE 82		(3) VOTO OCTUBRE 82		
GLOBAL	PRO	AP	PCE	GLOBAL	PRO	
Adolfo Suárez	26,5	12,6	55,8	9,0	Manuel Fraga	22,1
Felipe González	44,8	72,4	9,9	64,2	Adolfo Suárez	44,5
No votaría (1)	16,2	5,9	17,8	11,9	No votaría (1)	20,2
4) N. S. / N. C.	13,5	9,1	16,7	14,9 (4)	N. S. / N. C.	13,1
GLOBAL	PRO	AP	PCE	GLOBAL	PRO	
Adolfo Suárez	26,5	12,6	55,8	9,0	Manuel Fraga	22,1
Felipe González	44,8	72,4	9,9	64,2	Adolfo Suárez	44,5
No votaría (1)	16,2	5,9	17,8	11,9	No votaría (1)	20,2
4) N. S. / N. C.	13,5	9,1	16,7	14,9 (4)	N. S. / N. C.	13,1



(3) VOTO OCTUBRE 82		(2) VOTO OCTUBRE 82		(3) VOTO OCTUBRE 82	
GLOBAL	PRO	AP	PCE	GLOBAL	PRO
Felipe González	82,6	8,9	70,2	Gerardo Iglesias	9,9
Miguel Roca	5,4	61,8	3,0	Felipe González	78,4
No votaría (1)	5,3	14,7	17,9	No votaría (1)	4,8
4) N. S. / N. C.	6,7	14,6	8,9 (4)	N. S. / N. C.	8,9
GLOBAL	PRO	AP	PCE	GLOBAL	PRO
Felipe González	82,6	8,9	70,2	Gerardo Iglesias	9,9
Miguel Roca	5,4	61,8	3,0	Felipe González	78,4
No votaría (1)	5,3	14,7	17,9	No votaría (1)	4,8
4) N. S. / N. C.	6,7	14,6	8,9 (4)	N. S. / N. C.	8,9

Key to Tables 3 and 4:

1. Would not vote
2. Vote, October '82
3. Overall
4. Don't know/no answer

(1)

ESTABILIDAD PRESIDENCIAL

¿Qué opinión tiene usted del presidente del Gobierno, Felipe González?

GLOBAL

(3)

	Dic. 83	Abr. 84	Ago. 84	Dic. 84	Ene. 85	Abr. 85	May. 85	
(4)	(5)	(6)	(4)	(7)	(5)			
Buena (8)	54.1	46.6	45.3	39.8	36.8	36.8	36.9	Buena
Regular (9)	29.2	30.3	31.4	35.6	37.5	33.1	34.2	Regular
Mala (10)	12.3	18.3	19.8	20.5	22.3	26.8	26.4	Mala
Voto neutro (11)	41.8	28.3	25.5	19.3	14.5	10.0	10.5	Voto neutro

(12)



	Dic. 83	Abr. 84	Ago. 84	Dic. 84	Feb. 85	Abr. 85	May. 85
Buena	38.5	26.7	17.6	15.7	11.6	11.9	12.6
Regular	35.0	30.0	36.3	38.1	36.6	29.0	39.3
Mala	21.4	38.3	40.2	39.0	48.6	56.3	48.1
Voto neutro	17.1	-11.6	-22.6	-23.3	-37.0	-44.4	-35.5



	Dic. 83	Abr. 84	Ago. 84	Dic. 84	Feb. 85	Abr. 85	May. 85
Buena	50.0	22.9	33.3	14.8	15.5	27.4	23.9
Regular	29.2	45.8	24.2	50.8	45.1	49.3	46.3
Mala	18.8	31.3	39.4	32.8	36.6	23.3	29.9
Voto neutro	31.2	-8.4	-6.1	-18.8	-21.1	4.1	-6.0

Key to Table 5:

1. Prime Minister's Stability
2. What is your opinion of the current prime minister of the government, Felipe Gonzalez?
3. Overall
4. Dec
5. Apr
6. Aug
7. Jan
8. Good
9. Fair
10. Poor
11. Neutral vote
12. AP
13. PSOE
14. PCE

(1)

SUBE EL GOBIERNO

(2) ¿Qué opinión tiene usted del actual Gobierno de la nación?

GLOBAL

(3)

	(4)	Dic. 83	Abr. 84	Ag. 84	Dic. 84	Mar. 85	Abr. 85	May. 85
Buena (7)	39,4	35,5	32,7	27,8	28,0	27,8	30,1	
Regular (8)	38,5	36,0	38,7	40,9	40,8	37,2	38,4	
Mala (9)	17,6	24,4	24,5	26,5	28,7	31,4	28,5	
Voto neutro (10)	21,8	11,1	8,2	1,3	-0,7	-3,6	1,6	

(12) Dic.
83 Abr.
84 Ag.
84 Dic.
84 Feb.
85 Abr.
85 May.
85

	Buena	65,5	62,3	55,5	45,6	53,5	52,7	52,9
Regular	29,6	28,1	34,9	38,9	39,4	33,4	33,6	
Mala	3,7	6,0	8,1	12,9	6,9	12,0	12,6	
Voto neutro	61,8	56,3	47,4	32,7	46,6	40,7	40,3	

(11)



	(11)	Dic. 83	Abr. 84	Ag. 84	Dic. 84	Feb. 85	Abr. 85	May. 85
Buena		19,6	12,5	7,8	8,1	3,7	5,8	7,1
Regular		40,2	33,3	41,2	35,4	32,4	27,6	41,3
Mala		35,1	51,7	48,0	49,3	59,7	64,1	49,8
Voto neutro		-15,5	-39,2	-40,2	-41,2	-56,0	-58,3	-42,7



(13)

	(13)	Dic. 83	Abr. 84	Ag. 84	Dic. 84	Feb. 85	Abr. 85	May. 85
Buena		35,4	14,6	24,2	13,1	8,5	20,5	16,4
Regular		39,6	52,1	33,3	45,9	59,2	53,4	48,3
Mala		25,0	31,3	39,4	39,4	29,6	26,0	37,3
Voto neutro		10,4	-16,7	-15,2	-26,3	-21,1	-5,5	-20,9

Key to Table 6:

1. The Government Advances
2. What is your opinion of the present government of the nation?
3. Overall
4. Dec
5. Apr
6. Aug
7. Good
8. Fair
9. Poor
10. Neutral vote
11. AP
12. PSOE
13. PCE

(1)

EL EMBROLLO DE LA OTAN



(2) En su opinión, ¿qué tipo de relación debería mantener España con la OTAN?

GLOBAL (3)

	(4)	Dic. 83	(5)	abr. 84	(6)	Ago. 84	Dic. 84	Mar. 85	Abr. 85	May. 85
Integración total (7)	13,7	18,4	11,2	13,0	13,8	15,8	15,8	14,7		
Integración sólo en la organización política, pero no en la militar (8)	20,0	17,1	17,9	19,4	17,6	19,6	19,6	18,3		
Salida total (9)	49,2	41,8	48,4	46,8	48,4	41,4	41,4	45,6		
No sabe / No contesta (10)	17,1	22,7	22,5	20,8	20,2	23,2	23,2	21,4		
 (PSOE)	Dic. 83	Abr. 84	Ago. 84	Dic. 84	Mar. 85	Abr. 85	May. 85			
Integración total	4,0	6,5	5,6	6,5	4,7	6,5	6,5	4,8		
Integración sólo en la organización política, pero no en la militar	16,1	18,1	16,5	23,7	19,0	21,9	21,9	20,1		
Salida total	63,0	52,6	57,9	48,7	56,9	48,2	48,2	55,4		
No sabe / No contesta	16,9	22,8	20,0	21,0	19,4	23,4	23,4	19,7		

AP (11)

	Dic. 83	Abr. 84	Ago. 84	Dic. 84	Mar. 85	Abr. 85	May. 85
Integración total	38,5	50,8	31,4	35,4	50,0	48,8	46,4
Integración sólo en la organización política, pero no en la militar	23,1	16,7	31,4	23,0	23,9	20,5	18,4
Salida total	24,8	12,2	18,6	15,5	13,1	12,6	11,6
No sabe / No contesta	13,6	20,3	18,6	26,1	13,1	18,1	23,6
 (13)	Dic. 83	Abr. 84	Ago. 84	Dic. 84	Mar. 85	Abr. 85	May. 85
Integración total	2,1	0,0	3,0	0,0	2,0	2,7	0,0
Integración sólo en la organización política, pero no en la militar	12,5	6,3	6,1	1,3	10,2	4,1	4,5
Salida total	81,3	87,5	84,8	98,5	85,7	90,4	83,6
No sabe / No contesta	4,1	6,2	6,0	0,0	2,0	2,7	11,9

Key to Table 7:

1. The Confusion About NATO
2. In your opinion, what type of relations should Spain maintain with NATO?
3. Overall
4. Dec
5. Apr
6. Aug
7. Total integration
8. Integration only in the political organization, but not the military
9. Total departure
10. Don't know/no answer
11. AP
12. PSOE
13. PCE

(1)

MENOS ABSTENCION, MENOS INDECISOS**(2) Intención de voto**

(3)	Voto '82	Dic. '83	Ene. '84	Jun. '84	Jun. '84	Dic. '84	Dic. '84	Abr. '85 (6)	Abr. '85	May. '85	May. '85
PSOE	48.4	40.3	37.8	34.1	42.0	35.1	41.1	34.3	33.1	33.7	40.1
AP	26.1	24.4	25.8	27.2	28.4	24.7	26.1	28.3	29.6	25.9	28.5
PCE	4.1	4.7	5.1	4.8	5.6	4.9	5.1	4.6	5.6	6.1	7.0
CDS	2.9	2.4	1.6	2.3	3.8	3.8	4.1	5.1	5.1	5.1	6.1
CIU	2.7	3.2	2.6	2.6	3.0	3.2	3.3	3.1	3.0	2.9	3.4
PNV	1.9	1.7	1.6	1.9	2.0	2.0	2.1	1.9	1.9	1.9	1.9
EE	.5	0.4	0.3	0.6	0.4	0.5	0.6	0.6	0.6	0.5	0.5
HB	1.0	0.8	0.8	0.8	0.7	1.0	1.1	1.1	1.1	1.0	1.1
PRD	-	-	-	-	-	0.5	0.6	1.1	1.1	1.3	1.3
(7) Otros (e indecisos)	12.4	22.1	24.4	25.7	31.1	24.3	27.0	19.9	19.3	21.6	23.9
Abstención decidida sobre el censo (8)											

Con proyección de indecisos. (9)

Key to Table 8:

1. Less Abstention, Fewer Undecided
2. Voting intention
3. Vote, '82
4. Dec
5. Jan
6. Apr
7. Others (and undecided)
8. Abstention decided on the census
9. With projection of undecided

(1) -

GUERRA BAJA DOS PUNTOS

(2) (Indice popularidad)

Ene. 84	Mar. 84	May. 84	Jul. 84	Sep. 84	Nov. 84	Ene. 85	Mar. 85	May. 85	(3)	Ene. 84	Mar. 84	May. 84	Jul. 84	Sep. 84	Nov. 84	(3)	Ene. 85	Mar. 85	May. 85
FELIPE GONZALEZ																			
55,8	55,0	52,1	52,6	51,8	54,4	50,6	52,5	50,0		30,4	28,3	31,9	30,0	28,8	28,0	26,6	28,3	30,2	
ADOLFO SUAREZ																			
38,3	39,5	41,9	40,8	43,3	43,0	41,8	43,6	42,6		28,3	24,4	35,7	29,1	38,7	29,2	27,9	29,4	29,5	
ALFONSO GUERRA																			
44,1	44,8	41,7	41,0	41,0	43,5	41,1	42,8	40,9		29,9	29,2	30,4	29,3	31,3	32,3	27,7	30,6	29,2	
MANUEL FRAGA																			
39,3	35,9	38,0	39,5	36,2	38,3	35,3	34,8	34,2		27,7	28,0	30,3	27,9	31,2	31,9	30,2	32,3	29,0	
MIGUEL ROCA																			
32,6	29,3	36,3	32,1	31,5	33,2	32,0	33,4	33,6		21,1	24,0	24,3	24,9	21,8	24,0	23,4	25,0	24,8	

Key to Table 9:

1. Guerra Drops Two Points
2. Popularity Index
3. Jan

2909

CSO: 3548/140

POLITICAL

SPAIN

CHURCH ATTITUDE TOWARD PSOE POSITIVE, BUT ERODING

Madrid EPOCA in Spanish 1 Jul 85 pp 10-15

[Article by J. L. Martin Descalzo: "An Important 'Test' for Coexistence Among Spaniards"]

[Text] For many months now, Spaniards have not known what to believe about the current status of relations between the church and the socialist government. If they listen to the statements of the political leaders, they would be experiencing a time of wine and roses. If they listen to the bishops, they will hear, beyond the courtesy, a hint of reservation and growing concern.

Not very long ago, the secretary of the episcopate himself said that we were passing from national Catholicism to national anti-Catholicism, and he pointed to the political leaders as responsible, in the end, for this.

This "cold shower" of opposite opinions has been repeated dozens of times. Each trip by a minister to Rome is followed by euphoric statements telling of the honeymoon they say the church and the state are enjoying. Recently this was the case with Mr Moran, and Minister Ledesma has done this a number of times. And always, obviously, they go on and on about this supposed fraternization between the media and the government they serve. The daily newspaper EL PAIS raves on whenever the subject arises and lists a whole anthology of instances of flattery never outdone by the government press in the years of the Franco era. For, curiously, the tactic the socialist government is pursuing in this connection are absolutely identical with that of the last governments in the Franco era did: reiterating that "everything is coming up roses." But inevitably, each euphoric ministerial statement is followed by a correction and a downward modification in tone by the ecclesiastical hierarchy. Sometimes in cautious form, and in other cases in a more boldly sincere voice, as in the recent note from the archbishop of Toledo about the Corpus procession.

The Myopia of Felipe Gonzalez

In the past week, this intersection of opposing opinions has occurred twice, in connection with the interview of the bishops with the cabinet on 11 June, and in connection with the visit paid by the Vatican secretary, Cardinal Casaroli, and his meeting on the 17th with Felipe Gonzalez.

In this latter case, the differences were striking: while for the prime minister, who in some respects seems to want to live in Alice's wonderland,

everything was simply marvelous, anyone who could read the Vatican texts saw caution and hesitation predominating in Cardinal Casaroli.

According to Felipe Gonzalez, relations between the church and state at the present can not only be regarded as "very positive," but even "exemplary," since there were "no problems of any kind," and the discussions were "among the most reasonable occurring in the concert of nations." He admitted that there had been some differences on ideological positions (referring to the subject of abortion), but he went so far as to say that "he did not see any cooling" in these relations and he gave assurance that "the church-state agreements are consistent with the LODE." These are old attitudes for Felipe Gonzalez. The problems he does not see do not exist.

The responses of Cardinal Casaroli were much more cautious, particularly if one bears in mind this prelate's habitual style. Although memory still clearly recalls the famous "champagne photograph" taken with Minister Cortina Mauri in 1975, so widely was it publicized when the renewal of the Concordat was being discussed, as well as the statements to the effect that "we are into the final stretch," when we all knew that there was no stretch at all, much less a final one, on this subject. Monsignor Casaroli, as everyone knows, is a tough negotiator who always smiles, a man with an iron hand in a velvet glove and a good-natured appearance. But even so, he did not deny the existence of "problems resulting from ideologies so far from the Christian spirit."

It is a known fact that Rome is watching Spain with concerned attention. This country is for Rome a "test" of coexistence between the church and systems alien to the faith. Those in Rome today are very familiar with the deep Christian roots in Spain. The pope tested them during his two trips to our country and even referred to them with emotion.

Rome's Concern

Therefore it is difficult for Rome to understand why this Christian life of the nation has no reflection, or a very limited one, in its public life and, more specifically, in its legislation. Rome notes with satisfaction that no frontal attack has been made in Spain on Christian sentiments, but it cannot fail to see the internal tension between the Catholic guidelines and certain approaches in our legislation. Rome therefore thinks, as Cardinal Casaroli said in Spain a few days ago, that the agreements between church and state "are properly applied on some issues, less so on others," and a point is made of noting that "in any case, the principles of the Catholic church are very clear to any Catholic who regards himself as such, as the pope has often reiterated."

He did so in Spain in the clearest of words on the subject of the two main conflicts in this relationship, the problems of abortion and education. These are two matters which already concerned the Vatican at the time of the drafting of our constitution, since it was thought that the legislation was far from sufficiently clear on these two points. For this reason, the Vatican welcomed the ruling of unconstitutionality on abortion with enthusiasm, initially, although with disappointment subsequently, when the full text of the judgment was known. And this is why, at the present time, as Cardinal

Casaroli himself said in Spain, "the ruling of the Constitutional Court on the LODE is anxiously awaited."

There are, then, problems. And they are serious problems. It would be better to avoid deceiving oneself, and deceiving the public. These are problems with regard to which there is at least a willingness for dialogue. Unfortunately, however, events have shown that on these issues, dialogue is for the socialist government only a tactic for gaining time, since sooner or later, it reaches the goals set forth, while the bishops have to admit that they have been deceived or at least partially misled.

For this reason, obviously, the church is very visibly changing in its attitude toward the socialist government. This "cooling" which Prime Minister Gonzalez does not want to see is quite clear. And it would suffice to read about the growing number of stands being taken by the bishops, after years of conciliatory silence, to prove it. Or one could observe the significant change which has been seen in the positions of the secretary of the episcopate, Monsignor Sebastian, who has moved from trusting attitudes prior to the rise of the Socialist Party to power (he was one of the interlocutors chosen at that time by Tarancón) to becoming a much tougher and more demanding negotiator, sometimes even drastic and bad-tempered, following his experience of the reality in the secretariat of the episcopate. Has the bishop changed, or is it events which are progressively changing?

It would be necessary here to undertake a long and detailed analysis of this development of the relations between the church and socialism. The best of the existing syntheses was made by Abel Hernandez in a very well-documented book published a year ago entitled "Chronicle of the Cross and the Rose." In this book, a conciliatory tone predominates, but the increase in tensions and difficulties is not neglected.

The PSOE and the Church

Reducing the history of these relations to a synthesis, it seems that various phases can be distinguished. The first was characterized by the open hostility on the part of socialism toward religious values, extending up to 1967. Then there was a certain swing toward openness in which there were still expressions of hostility toward the church, but made somewhat palatable. This phase fell between the PSOE [Spanish Socialist Workers Party] Congress in Toulouse (1967) and the 28th Congress (1979). Then there was a third period during which the socialists moved closer to the Christians, from 1979 until they won government office in 1982, while the fourth stage is that we are experiencing now.

The basic problems of socialism with regard to the religious issue are varied and very important. The first derives from the profound pluralism existing today within the PSOE, which even makes it necessary to ask to what point this is true socialism, or is it only an opportunistic grouping of progressive factions. It is a demonstrable fact that the number of Christians, more or less committed, within the PSOE, and above all, among its voters, is growing. Scientific studies show that in the 1979 elections, no less than 36 percent of

the PSOE voters claimed to be practicing Catholics, while another 55 percent said they were Catholic, but not practicing. Only those in a tiny minority said they were agnostics or atheists. In the 1982 elections, the PSOE voters who said they were practicing Catholics had increased to 52 percent.

However, these data should be examined in the light of a second, more noticeable phenomenon. This very high proportion of Catholics among the PSOE voters declines when it comes to the activists, and dwindles substantially further with regard to the leaders. The same can be said about the age of these militants and leaders. While only 20 percent of those who joined the PSOE prior to 1977 say they are Catholic, the figure increases to 47 percent for those who joined between 1977 and 1982, and reaches 53 percent for those most recently incorporated. Thus we have a party whose voters are not represented, where their religious faith is concerned, by their activists and leaders.

The Catholics in the PSOE

A sad fact, still more prominent, must be added. Although not many PSOE leaders are devout Catholics, some of its most notable members are indeed. Not only is Prime Minister Gonzalez from a Catholic background and a militant in Catholic organizations, but so are a large number of his ministers, and even more of their undersecretaries and directors general. Four ministers--De la Cuadra, Ledesma, Baron and Lluch--have frequently admitted not only to being Catholics, but with greater or lesser fidelity practicing Catholics. And the large number of important posts in the present government which are occupied by former seminary students or secularized priests is significant. In the second level of Ministry of Education posts, they are in the majority. But it must be noted, as a member of the leadership of the PSOE admitted, that "those who come from the more fervent areas of Christian practice often become the most virulent critics of the ecclesiastical institution." And this is so as to remove this "blemish" in the eyes of their socialist comrades, or due to that typical reaction of those who, for one reason or another, do not fit in with the hierarchy in their clerical years. Curiously, two facts must be noted: the vast majority of the church-state conflicts have occurred in the sectors dominated by these "more Catholic" socialists, while on the other hand, the hierarchy has always had greater fear of this group, and this has been true in all political periods. The statement by Cardinal Tarancón is well-known: "When I speak with a politician, what I want is to meet a politician, not a bishop of another church who will undertake to explain to me how we should manage ours."

The most important fact in this entire issue is the tremendous ignorance on the part of the PSOE leaders about ecclesiastical matters. By way of an anecdote, I will quote what Felipe Gonzalez said just a few years ago when he acted as best man at the wedding of a journalist. He asked the matron of honor to explain to him when it was proper for him to sit and when to kneel, "because I have not gone to mass since the priests began selling goods on the side." And the statement of Alfonso Guerra, to the effect that the church is "not dangerous, because it is a paper tiger."

In this connection, socialism is falling into the same trap the last Franco government did, creating for itself a group of ecclesiastics "ad usum delphinis"

and confusing the reality of the church with the little group of its friends. The role played by the Priestly Brotherhood in the Carrero Blanco years is now played by such groups as Christians for Socialism, John XXII Theologians and, to a certain extent, the Faith and Secularity Institute. The "ecclesiastical advisers" of the PSOE are well enough known, but they do not seem to be exactly contributing to a real understanding between the church and the state.

This ignorance about church matters has led the PSOE, on the one hand, to fail to develop a real policy in the religious sector, and above all to continuing lurches on the subject, depending on whether the pressures from the church hierarchy and the Catholic groups are greater or lesser.

Church Attitude Toward the PSOE

This religious ignorance was made very clear during the audience Felipe Gonzalez had with John Paul II in Rome on 16 December 1983, which was almost an exact repetition of that granted some years earlier by Pope Paul VI to Lopez Bravo. Days later, John Paul II himself told Spanish bishops of his surprise when he heard the prime minister say that the socialist government had problems with the bishops, because they were still "men from the war era," while on the other hand, it was much easier to deal with the Spanish theologians. In making this statement he committed two errors. He revealed his ignorance of the fact that the vast majority of the Spanish bishops were not yet 10 years old during the war, and also, this closeness with "certain" groups of theologians was not exactly the best recommendation in the eyes of John Paul II.

This ignorance about the church lies at the root of all of the conflicts we will list below. The highest-ranking leaders of the PSOE work from the premise that what is religious is something "of a private nature" and should be kept within the realm of conscience, but should have no echo in public life, a sector in which they feel that they are the sole representatives of all the activities of the Spanish people. This is the totalitarian temptation which has so often been denounced in other aspects of national life. The socialist government seems to be prepared to protect, and even to finance, the church, provided that it stays within the temples of the Lord. This is an ancient theory which the church cannot tolerate. The distinction between "the laws and public life on the one hand, and conscience on the other" has nothing to do with the thinking of Catholicism.

If this is the attitude of the PSOE toward the church, what is the attitude of the church toward the present government? Here too one would have to speak of a long evolution. Until the 1960s, the church gave back to socialism the hostility it evidenced toward religion. But something began to change after the Council, in Spain in particular.

The first great surprise came in 1971. The survey taken among the Spanish clergy (the most scientific study ever made in Spain, covering 85 percent of all the secular priests in the country) showed that among the various socio-political alternatives offered to the priests, that chosen by the highest percentages was by far the socialist option. Almost 25 percent said that they

were supporters of it, to which would have to be added another large 12 percent indicating various forms of support for workers' movements. Only 2 percent said they were Falange supporters, and those who said they were satisfied with the political situation in Franco's Spain came to less than 11 percent. Similar proportions, although somewhat more conservative, were revealed by a survey taken among monks.

What was indicated in terms of theory was to prove much more "centrist" in terms of democracy. In a 1982 study asking for acceptance levels ranging between 0 and 10, the Spanish clergy gave the following assessments: Landelino Lavilla's UCD [Democratic Center Union] scored 6.7; Fraga's party 6.5; Suarez's CDS [Social Democratic Center Party] 5.7; and the PSOE 4.4.

This declining level of acceptance must be viewed in the light of the "fright" many priests experienced concerning the radicalism of the PSOE at the 27th Congress and its electoral campaigns based on the most controversial themes for the church. But the statement made by Abel Hernandez when he said that "if the PSOE had not included abortion and the restrictions on private education in its programs, the young clergy would have voted massively for it" continues to be true.

And what about the bishops? There are no serious studies to show for whom the bishops have been voting. But it is a fact that, although support for the men of the UCD was not developed, except on the subject of divorce, the bishops felt rather "calm" under the governments of Suarez and Calvo Sotelo, although an estrangement did occur during the term of office of the latter. I do not think it is wrong to believe that a large majority of the bishops voted for the center parties, that a minority voted or might have voted for the AP [Popular Alliance], and that another even smaller minority, no more than four or five bishops, gave their votes to the PSOE.

However, it is a historic fact that the bishops saw the rise of the PSOE to power without excessive apprehension, and that in any case, they did nothing in the political realm to hinder it. No serious historian can or will be able to deny this fact. Today the statements made by Luis Apostua about what was termed the "war of the catechisms" are strictly true.

"What would have happened if the socialists had encountered a Spanish church as rigid as we remember it 30 years ago? We would have reached an impasse. The PSOE in power can complain of everything previous except the Episcopal Conference. Not a single gesture, not a single paper or maneuver was directed toward blocking its democratic access to power. One would have to add instead that in the last 18 months of the UCD government, the neutrality of the church was total, respectful and visible. When the point of socialist triumph in the elections was reached, there was not a single commentary with a disparaging tone. In other words, the socialists were offered the historic opportunity to have pacified their old disputes with the church 'in saecula saeculorum'."

Did they seize, or are they seizing, this "historic opportunity"? An objective observer would have to recognize several things: that there continues to be a desire for dialogue and avoidance of a break at all costs on both sides;

that both the church and the socialist government have maintained a zeal for moderation and avoidance of radicalization of the positions; that, since neither the church nor the socialists have abandoned their basic position, the radical conflicts continue to exist here; and that in recent years, the smaller flareups have multiplied and continue to increase in number, although both parties have tried repeatedly to act as "firemen." And thus as a whole, this opportunity for pacification is being wasted or is in danger of being wasted. The history of the conflicts in these past 3 years provides sufficient proof of this. We will go into detail on this in the second part of this effort. But we will not conclude today without saying that the peaceful solution of these problems depends in large part on the pacification of minds in the Spain of tomorrow.

(The next portion of this work will deal with the conflicts in culture, education, the media and morality.)

5157
CSO: 3548/144

POLITICAL

SPAIN

EVIDENCE OF INTERNAL PSOE DISAFFECTION MOUNTS

Madrid TIEMPO in Spanish 1 Jul 85 pp 19-21

[Interview with Rodriguez de la Borbolla by Nativel Preciado]

[Text] He was Alfonso Guerra's man until being elected president of the council of Andalusia. Jose Rodriguez de la Borbolla is reluctant to admit the validity of this basic outline of the situation, but this is a case which recurs frequently in Spanish politics. This is history repeating itself: it happened to Carrillo with Iglesias, as well as to Guerra with Rodriguez de la Borbolla: a party "high priest" is now asking for more independence and autonomy.

Question: The general strike wasn't very successful in Andalusia.

Answer: Right, it affected us much less than the rest of Spain. Urban areas were most affected by the strike. That's why it had a lesser impact in Andalusia, as it is less highly urbanized. Anyway, I believe it didn't have any great effect.

Question: On 1 May, though, there were serious demonstrations against the Madrid government.

Answer: That is the communists' traditional policy all over Europe; when they aren't able to become part of a socialist government, they become its harshest and most radical opposition. We are used to having them call us social-fascists and social traitors.

Question: It wasn't really a matter of antisocialist demonstrations, but rather of the first "anti-Felipe" [Gonzalez] symptoms.

Answer: Not at all. You can't find that feeling anywhere in Spain, and especially not in Andalusia.

Question: What is going on about the rebellion of the socialist "barons?"

Answer: I don't like to use the term "barons"; that terminology seems to reflect back to the UCD crisis.

Question: Other people talk about the party "high priests."

Answer: I don't like that either. The fact is, there isn't any rebellion. The territorial leaders--and we aren't "barons" or "high priests," nor have we rebelled against anyone--have a clear understanding of the model of our party: it is a federal, integrated party, with an overall program for all of Spain. The only thing we are asking for is a good deal of room for autonomy and decision-making power in each territorial headquarters.

Question: And that call for autonomy has caused some sparks to fly.

Answer: That call has stirred up an internal debate in the party on issues of an organizational nature. This debate is still going on.

Question: Aren't the crises brewing in the regional congresses of Malaga and Seville serious matters, on which you openly clashed with Alfonso Guerra?

Answer: They could be serious if they weren't settled, but I think they can be worked out.

Question: The crisis of the Andalusians and also the UGT problem led to some serious clashes in the recent federal committee meeting.

Answer: There are no serious disputes between us: that isn't the case at all. Some important organizational issues did arise that have to be worked out by means of dialogue and good will on everyone's part. The conflict with the UGT is a difficult one, but every possible effort has to be made to join together in a mid-term program that will be able to improve the workers' living conditions. Discussions can not be allowed to be sidetracked on partial issues such as the Social Security reform. We can't just debate the reform in the Pensions law, but we have to talk about all the measures affecting the UGT. On these issues an agreement will certainly be reached, because there will be a positive outcome for the union. For the first time in this federal committee session there was no full-scale dispute between two rigid camps. The people felt freer and more responsible to speak before the party leadership. That is what Felipe Gonzalez told me. Starting now, the federal committee is going to play its part in making itself into the PSOE's political leadership.

Question: Do you truly believe that this government handles criticism well?

Answer: Well, that depends on the particular criticism.

Question: The party gives the impression that it handles all criticism in the same way.

Answer: Well, the party does not readily accept generalized criticisms when they are intended to denigrate all of the government's work and when it is

accused of selling out, of being inept, of not knowing how to handle responsibility, of moving away from the socialist program. All that is irritating, because those are not true criticisms, but they are actually more like insults.

Question: Some leaders are viewed as being rather authoritarian.

Answer: No one has an authoritarian complex. The work of a socialist government that takes office in a time of economic crisis after a very rapid transition is extremely difficult. The least helpful thing is facile criticism. What we need most are dialogue and a search for ways to carry the socialist program forward.

Question: Don't you think that a strong government with an absolute majority has to be very careful to avoid arrogance and dogmatism?

Answer: I think that dogmatism and authoritarianism can be avoided by talking together.

Question: But for a dialogue, isn't a good dose of humility needed?

Answer: Certainly, but I believe that as we acquire more experience in the exercise of government, the more humble we become. In the present situation the socialist government has to legitimize its everyday actions with social control, and not only with the power given it by 10 million votes. From my point of view, we have to find ways to convert the PSOE's [Spanish Socialist Workers Party] political power, the hegemony and power given it by its absolute majority, into social hegemony. To bring the different groups into the socialist program, we have to do a lot of work, talk a great deal, and seek solutions together.

Question: The UGT leaders are accusing the government of a lack of dialogue.

Answer: It isn't easy to change the country; the times are not what we would like. Sometimes the difficulties that the government has in making specific changes can't be explained and this creates a certain amount of bitterness. I am very sure that there has been no government in Spain's modern history--and I am referring to the last 150 years--that has done so much for society and not, as others have done, for its own power. The only thing that this government has to do is to offer a way out for those who disagree about specific aspects of the program, and not to put them between the devil and the deep blue sea.

Question: Are you referring to Nicolas Redondo and yourself?

Answer: I am speaking in general and not of any specific case.

Question: You sound very cryptic.

Answer: I think what I am saying is quite clear.

Question: Let's get more specific. Have your relations with Alfonso Guerra deteriorated a great deal?

Answer: I will only repeat that my relations with Alfonso Guerra must be improved and can be improved.

Question: Is the remark attributed to Alfonso Guerra true, to the effect that "a person who moves doesn't show up in the photograph?"

Answer: Well, I didn't hear it. I don't believe Alfonso said that.

Question: Have unshakeable loyalties between the socialists of Andalusia been destroyed?

Answer: That question is based on a misconception, because that sort of loyalty doesn't exist. In Andalusia, just as in the rest of Spain, a majority of the voters have supported the political program of the socialists and their leader, Felipe Gonzalez. But that doesn't mean that they are not capable of criticism and of saying, when necessary, that specific things should not be done. Such unswerving loyalties never existed, and I don't believe there will be such ties in the future.

Question: But really, everybody thought that you would go on being Guerra's man when you were elected president of the Andalusia council.

Answer: Those ideas are so simplistic they aren't even worth discussing. When a person is elected to handle a specific job, he has to carry out that responsibility on his own.

Question: Are feelings between Guerra's followers and yours very much on edge now?

Answer: I don't want to hear any talk about "borbollistas," as some people are saying. It is clear that a certain amount of tension has arisen with the Seville congress and the suspension of the Malaga congress, but that was still only a momentary outburst. Not being able to hold the Malaga congress was disappointing, but our comrades in the group support the same program, and this means that a solution will be found very quickly. There is no powder keg, there is no serious crisis, there are no wounds that can't be healed.

Question: Didn't being the party's first rebel cost Rafael Escuredo his job?

Answer: I don't think so. Rafael Escuredo has his own distinctive personality and doesn't fit in such schemas

Question: Power is very ephemeral; few people now agree about Escuredo.

Answer: Rafael Escuredo still lives in the people's memory, and certainly in Andalusia everyone know who he is and what he represents in the history of the autonomous movement.

Question: Why has Andalusia had so many autonomous privileges?

Answer: We reached specific levels of autonomous development before other communities, but not at all because we were given any sort of privileges.

Question: So why have the transfers been so rapid?

Answer: We moved ahead, we weren't given special favors, for having done things well. And don't interpret my words as being arrogant!

Question: It may also be because the Andalusian PSOE is very strong.

Answer: That isn't so. The reason is that we are very clear about the model of state we want. We were able to reach agreement and we have a great capacity for dialogue, even though people are now trying to say the opposite, because of recent events.

Question: Is your party model as clear as your state model?

Answer: Of course it is. We have never had any doubts about the party we belong to, the party we love: a federal party, and not at all a federation of parties, as some people have said. The only thing we want is a certain degree of independence to work within the most absolute loyalty. We need a certain level of autonomy in order to carry out our responsibilities.

Question: The Andalusians will get more of the spotlight with the Universal Exhibition to be held in 1992.

Answer: Our potential is certainly going to increase. Expo-92 will open up many new prospects and when it is held, much will already have been done, especially as Chicago has turned down the option of being the other site for the fair. That will demand even more of us.

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POLITICAL

SPAIN

GUERRA MOVES TO UNITE DISPARATE ELEMENTS OF PSOE

Madrid TIEMPO in Spanish 1 Jul 85 pp 39-44

[Article by C. Carnicero and P. Moreno in Sevilla, J. Cantarero in Valencia and J. Uribe in Barcelona: "Rebellion of the PSOE 'Barons' Mobilizes Alfonso Guerra"; passages enclosed in slantlines printed in italics]

[Text] The barons of the PSOE [Spanish Socialist Workers Party] are restless. Jose Rodriguez de la Borbolla, Joan Lerma, Joaquin Leguina and Raimon Obiols are starting to worry about Alfonso Guerra. For now, the battle boils down to a demand for more political autonomy for the party VIP's in the periphery.

Hardly anyone still remembers the 28th congress when critics pulled against Felipe Gonzalez' wires. He had not yet become the indisputable leader of Spanish socialism. Today, 6 years later, with socialism installed in power as the national government, in 14 of the 17 autonomous communities and in the majority of the municipal and local governments, the playing pieces of Spanish socialism are jumping around without knowing exactly who is making them move.

There are political crises within the socialist family that, in some cases, are beginning to join up with each other dangerously. The all-embracing power of the machine, run by Felipe Gonzalez and Alfonso Guerra from Moncloa, is beginning to be questioned. The critics, with their manuals on Marxism always open, are outspoken enough to call it /despotism/.

At the 30th congress, the debates on NATO were the first test. The sectorial technical committees were eliminated. "The government was for that." Party experts in each area who had not been asked to hold positions in the administration found themselves taking a political /vacation/.

Then came the controversial appointment of Jose Maria Benegas, /Txiki/, as the powerful organizational secretary, the first strong throb of the machine. The Biscayans and the veteran sectors of the Basque UGT [General Union of Workers] were openly opposed. The formal argument was the incompatibility of that new position with his political responsibilities in Euskadi. Felipe Goznales did not give in to the pressures of the Basques. Andres Paul Tejedor, the veteran Basque member of the UGT and the PSOE and negotiator in earlier congresses of the slates for the Executive Committee, was left without a job. Now Felipe

Gonzalez draws up the slates and the delegates to the congress approve them. The Suresnes pact has started to crumble.

The first attempt at rebellion appeared in Euskadi. Felipe Gonzalez' candidate for secretary general of the PSE [Basque Socialist Party] - PSOE, without any room for negotiation, was /Txiki/ Benegas. Alfonso Guerra went to Bilbao to wholeheartedly support him. Ricardo Garcia Damborenea, the intractable /baron/, was not willing to obey this Moncloa absolutism. For the first time, a direct order from the prime minister and the secretary general of the PSOE was openly contested by more than 40 percent of the delegates to the Basque socialist congress. Felipe Gonzalez was no longer indisputable.

Unknown Boy

Somewhat more to the south in Sevillian political circles, a story attributed to Felipe Gonzalez circulates. When he saw the film of the rally with which the Sevilla capital celebrated 1 May, he noted how one of those who led it harshly criticized the absence of the PSOE secretary general from the one held in Madrid. It was said that the prime minister asked: "Who is this boy?"

If the anecdote is true, Felipe Gonzalez, a Sevillian by birth, does not know the top leader of his party in his native city. The critic was no one other than Jose Caballos Mojeda, a faithful assistant to the regional secretary and president of the autonomous Junta, Jose Rodriguez de la Borbolla. Miguel Angel Pino, president of the Sevilla local government and one of the visible leaders of the /Guerrist/ sector of the Sevilla PSOE, said: "It was the straw that broke the camel's back."

The wires of the all-powerful Alfonso Guerra are beginning to rust. The new autonomous situation makes the men who have remained in the area closer to the voters than those installed at the top of the Madrid government. The socialists, barely autonomous originally, are adapting to the new situation thanks to the exercise of power. It is as if the positions had their own life and it is impossible to continue being centralist at the head of an autonomous government. This situation which is obvious in Andalusia causes dissension with a central hegemonic power when the government and the party are in the same hands.

When asked about the increasingly bitter crisis in his party, Jose Rodriguez de la Borbolla said: "Right now, it is best to keep quiet." The origin of the crisis was a personal confrontation to which Luis Yanez, one of its protagonists and president of the Institute of Ibero-American Cooperation, has often referred. Yanez, a /veteran/ of the PSOE renovation--the party which he joined at the beginning of the 1960's even before Felipe Gonzalez and Alfonso Guerra--was furious when he learned that Rodriguez de la Borbolla, a member since 1974 with Sevilla Card No. 15, planned to remove him from the presidency of the PSOE in Andalusia and replace him with Antonio Ojeda, president of the autonomous parliament.

To Luis Yanez, Miguel Angel Pino, deputy Alfonso Lazo and Manuel del Valle, the most prominent Guerra men in Sevilla, Jose Rodriguez de la Borbolla "is

absorbed by his own power with one single objective: to control it." Miguel Angel Pino feels that the socialist group of the local government he heads, whose spokesman is Jose Caballos Mojeda, "is systematically boycotting a homogeneous government. The same thing is true in the municipal government."

"Felipe or Alfonso come, give two shakes and Pepote is out in the street." Luis Yanez stated this angrily at the regional Andalusian PSOE congress. Alfonso Guerra himself attended it like a shadow. Luis Yanez added: "Alfonso told Pepe that his slate is unpresentable and, since he continues ahead with it, each one pulls for his side." However, Rodriguez de la Borbolla avoided these potential pressures and won 100 percent of the votes for his slate, voting /a la Bulgarian/. Shortly before the vote, another one of Guerra's emissaries, the /veteran/ Guillermo Galeote, made one last attempt. Rodriguez de la Borbolla offered him an alternative. "You make up the slate and, if I don't like it, I withdraw."

No one insisted again. They knew that the president of the Junta was serious. A source close to Rodriguez de la Borbolla said that just before the congress, in order not to owe anything, he had sold the house he had in the town of Chucena. He would have gone back home and a racket would have broken out again, louder even than when Escuredo resigned.

While Felipe Gonzalez met in a recorded session in Mostoles with the socialists elected to positions in his district--Madrid--with Joaquin Leguina at the head, Alfonso Guerra did the same in the Sevilla hotel Los Lebreros, only without inviting Rodriguez de la Borbolla and other Sevilla officials. Sources of the regional executive committee said that the difference between these two meetings was that the one in Madrid "was not to conspire."

Miguel Angel Pino denies that description of the Sevilla meeting which 70 people attended. "A policy of integration was approved at the regional congress. Nothing other than this occurred at the Sevilla congress, held only due to the individual initiative of Caballos. Guerra came to the meeting because the alarm had sounded. He had to put a stop to methods that did not agree with the democratic practices of the party which could lead to Italianization or Mexicanization."

Miguel Angel Pino added: "We do not have any desire to lead. We want an un-traumatic solution to the crisis that, in any case, has to include the dismissal of Jose Caballos."

Alfonso Guerra is a man greatly feared by the party in Andalusia but not liked. Some members consider his participation in the crisis as undemocratic behavior, unorthodox considering the rules of the game he defended so hard. Rodriguez de la Borbolla, on the other hand, is a timid and uncharismatic man but he is considered to be honest and have integrity. That makes him well liked.

No one in Andalusia doubts that the autonomous elections next June will coincide with the general elections. Guerra and Borbolla will be opponents. They are going to present themselves the same day to the same electorate heading two different slates: the first to the Congress and the second to the Andalusian Parliament. Who says that all this between Alfonso Guerra and Jose

Rodriguez de la Borbolla because Guerra wants to continue controlling the slates of all the candidates is not also a concealed campaign to see who wins at the elections? For the first time, the citizen will be able to speak out in an internal party dispute.

The PSPV [Socialist Party of the Valencian Country], the third largest socialist group in number of members, is also going through a profound internal crisis. The two sectors of the party are involved in a bitter struggle to gain control of the party. The basis of the struggle is to have a majority on the national committee and the chance to draw up the electoral slates. At the regional congress held recently in Alicante, Joan Lerma, secretary general of the PSPV-PSOE and president of the Autonomous Community, had to withstand the siege of the so-called "faction critical of the government" and only won by the small margin of 52 percent.

Despite this victory, Lerma's opponents are winning victories in the district congresses. If the trend of this electoral process that will end next July continues, Lerma's opponents can win a sufficient majority to control the national committee.

Lerma is a /baron/ in disgrace. His exclusion from the Federal Executive Committee to which he belonged until the 30th congress was the beginning of his ordeal. After losing his power in the federal headquarters on Calle Ferraz, Joan Lerma is desperately fighting to retain control in the Valencian Country to permit him to continue as president of the Autonomous Community. The rebellion of the socialist /barons/ is due to a federal proposal on the division of power based on the autonomous reality of Spain.

One socialist leader knowledgeable about organizational frameworks of the party told this weekly: "It is not necessary to emphasize the internal problems of the PSOE. There are conflicts because it is difficult to occupy institutions without having guaranteed control of the party. When one trend fills the public positions and another the party organs of power, conflict is guaranteed."

Obiols, Eternal Dissident

Raimon Obiols, first secretary of the PSC [Socialist Party of Catalonia] - PSOE, is the critical conscience of the Catalan socialists. His political rise has not been easy. Always in party /machine/ positions, his public appearances to benefit other parliamentarians have been few. His position in public surveys continues very low despite having been a candidate for the presidency of the Catalan Generalitat.

At the constitutional meeting of the National Council of the party held at the end of February, Raimon Obiols stated: "We will demand that the PSOE have greater sensitivity toward Catalan affairs." Jaume Sobraques, official spokesman of the PSC-PSOE, tacked on to Obiols' words: "Our relations are good despite the fact that we have differences."

The old disputes to obtain greater autonomy in Catalan politics materialize in the demand for "a parliamentary group as a sign of respect for the historic

nationalities that have very clear and specific natures," according to Raimon Obiols in a recent public rally.

In addition to his requests for greater autonomy for the party, Raimon Obiols has made the party angry by his demonstrations against Spain joining NATO.

Alfonso Guerra's /long hand/ has begun to be felt in the heart of the PSOE. All indications confirm that the powerful PSOE undersecretary has been informed of the temptation of the /barons/ to demand greater political autonomy.

An Andalusian senator told TIEMPO: "It cannot be said that the barons have synchronized their political differences yet. However, it is worrisome enough to pay attention. So far there are no discontent former ministers. They have not tried to use the UGT except in the isolated case of Ricardo Garcia Dambo-renea. Joaquin Leguina is still calm but vigilant after the matter of the '3 percent.' A spark can fly out to ignite a group of discontents, however."

Jose Maria Benegas has not sidestepped evaluating the problem. To him, the tensions in the autonomous communities are not yet serious. "They are different problems, not synchronized. However, the danger is there. Some comrades might be tempted to transfer the autonomous concept of the state to the party and question the authority of the federal executive committee."

When asked about his concern about the existence of /caliphs/ or /barons/ in the PSOE, he could not help smiling. Benegas stated: "The differences within the party are not synchronized because the problems that exist are specific to each place."

According to the majority of the socialist sources consulted, the problem of the /barons/ is still not worrisome because "things are going well politically and there is no question of losing the elections." The centers of tension are not synchronized. The real problems for the team that Felipe Gonzalez leads might begin the day the PSOE starts to lose parcels of power and there are fewer public positions to distribute among the members.

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POLITICAL

SPAIN

GUERRA REVEALS SOME ELECTORAL PESSIMISM

Madrid EL PAIS in Spanish 5 Jul 85 p 18

[Interview with Alfonso Guerra by Jesus Quintero]

[Text] The journalist from the SER group, Jesus Quintero, of "El Loco de la Colina" fame, had an interview with the vice president, Alfonso Guerra, which was broadcast on 3 and 4 July; we are printing some parts of this interview here. In this interview Guerra gives his views on the Atlantic Alliance--"I have nothing either for or against NATO. What I do have are arguments in favor of Spain being in NATO and arguments against Spain being in NATO"--and on President Gonzalez, of whom he says: "He has an enormous capacity for taking a concept and turning it around 10,000 times."

Question: You are one of the few politicians bold enough to speak out. Of course, when a person knows his language well, he doesn't say what he doesn't want to.

Answer: Right. I have always said that a person is the master of what he keeps quiet and the prisoner of what he tells. I have never believed in talking "off the record." That is never respected. It may be respected for a few days, a few months, but afterwards, everything comes out. I prefer to just keep quiet about whatever I don't want to be repeated.

Question: Would you give up politics for love?

Answer: I would leave politics for some things, yes, but love is an absolutely serious matter that causes many people to voluntarily blind themselves.

Question: Can there be ministers who would give up politics for love?

Answer: I'm sure of it.

Question: I would like to know your arguments for or against NATO.

Answer: Well, I have nothing either for or against NATO. What I do have are arguments in favor of Spain being in NATO and arguments against Spain

being in NATO. I drafted the plank in the election platform on NATO, and it contains two promises: first, an immediate freeze on integration in the military structure; and secondly, to hold a popular referendum to decide whether or not Spain will be a member of NATO's political structure. I feel absolutely responsible for the preparation of this plank, because I was in charge of the election campaign. The first point was implemented immediately on 7 December 1982; the second will be carried out during the period of this legislature. The platform will become a reality, come what may. Now, let the people decide. The people have the right and the cultural and human maturity to make that decision.

Question: But who controls the communications media?

Answer: Well, I get the impression that private companies control the media, and the state has Radio Nacional, Radiocadena, and Television Espanola. They are not in the hands of the government, but of the state.

Question: Have you at any time thought about stepping down and no longer serving as vice president, and putting your party in order from the inside? It seems that there have been some problems recently.

Answer: No, I don't believe that the party needs to be "put in order," even though there are of course some problems. But these problems are no worse than they have been at other times, not at all. In the history of our party, there has probably never been such clear unanimity around a leader and a political program as there is now.

Question: Tell us about Felipe Gonzalez.

Answer: He has an enormous capacity to take a concept and turn it around 10,000 times. And when he does that, ideas spin off that other people pick up, and then this becomes a doctrine that other people start to elaborate.

"No More Votes, No Fewer Deputies"

Question: You are going to win, but... with fewer deputies, is that right?

Answer: I would still not like to make a prediction, because I had the great luck of saying 202 and there were 202... Now I would really be taking too big a risk, don't you agree? But I will make one prediction: no more votes, and no fewer deputies.

Question: During the entire crisis, which seems to be working itself out or slowing down, who won?

Answer: Functionality--the government's operating system. After 3 years with one team in office, it is logical that there would be some fatigue.

Question: Is there the opposition that the socialist party needs?

Answer: Now that we are in the government, sometimes we act as our own opposition, staying in a situation of retreat, or not responding to some of the things that they say, because at times we fear that a certain instability in the opposition could lead us to some results not good for Spain as a whole.

Question: Isn't there too much strategy in politics, too many meetings in corridors, too many rumors?

Answer: Yes. Politics does have a bad reputation. In the first place, it is traditional for people to say: politicians are all the same, they are interchangeable. They all take us to the same place. In Spain, too, the 40 years of dictatorship, of continued secret meetings, have exaggerated this even more, and have strangely enough organized a sort of constant allegiance and praise, so that one politician praises another, and the next one returns the compliment to the first one. This means that now when I say a normal, simple thing, just what the people are thinking, there are half a dozen politicians who become frantic. Then too, politics does have a bad reputation. The idea is that politicians are more or less all scheming political maneuverers. They are people who meet in secret in corridors, who do everything outside of the place where it should be done. It is very hard to uproot this idea, and I don't know why, people seem to have the idea that talking in the corridors is dishonest, that politicians should only talk in an office. Why shouldn't they talk in a corridor? It seems normal enough to me. Of course, there are other politicians who justify the ill repute of political activity, which seems to me as worthy as any other activity, even though strictly speaking, I am not a career politician. And such people, who are unworthy of politics, make politics seem unworthy.

Question: Has being vice president been what you expected?

Answer: It is more work than I expected and above all, perhaps the biggest surprise is that it is much more of a thankless job than I had expected. And the new feeling, perhaps, in relation to my expectations, is a feeling of powerlessness, of things that you know are there to be done, that should be done, and that you can't do.

Question: What would you like the Spain in which your children will live to be?

Answer: Tolerant, prosperous, peaceful, and educated.

"We Are Going to Eliminate the ETA"

Question: What do you think of the ETA's [Basque Fatherland and Liberty] offensive?

Answer: That terrorist organization has gone through periods when it has been very hard for it to act. I believe that it is having great difficulty now, and that it has chosen to show that it is capable of operating, so it is acting in a way in which it runs the least risk, for they have few people. Now they are becoming the worst sort of criminals: they are leaving car bombs outside of soccer fields, in the garages of large warehouses, and they committed one action which, very clearly and graphically, shows quite sharply the monstrous nature of their actions: they assassinated a young man accompanied by a 3-year old boy. But we can say, and we must not let ourselves be deceived by their latest crimes, that the ETA is in a position of weakness in relation to what it was before, despite all those crimes and any that it may commit precisely to demonstrate that it isn't finished. Of course the ETA isn't finished, but it has been very much affected. We are going to continue tightening the screws because we are going to eliminate that gang of terrorists who don't want democracy in Spain, who don't want peaceful coexistence, who assassinate, who kill leaving terrified children behind with a dread of all of life. And it isn't that we, the socialists and the government are going to eliminate them. Rather, this is a task for the Spanish people, it is a job for Spanish society. With all of us working together, we are certainly going to put an end to the ETA. We are going to eliminate it because it is an excrescence of society that society doesn't deserve; our people have gone through a great deal, and they do not deserve that gang of crazy criminals. I am convinced that within a period of time--and I can't yet say how long it will take--we are going to do away with this rabble as an organization.

Question: Are they forcing you to negotiations? Have you already explored all the possible alternatives?

Answer: It is my impression that killing people from behind with impunity is not exactly seeking dialogue and negotiations. Negotiations depend on the apparatus that the state has to defend itself from criminals. Negotiations depend in a very clear way on the elimination of the activities of these terrorists, who may be jailed, or may be killed in a confrontation which always results in death. It is unfortunate, but in these clashes people may be killed; so we are fully determined to make every effort to do away with this gang.

Question: Is peace now the only revolution possible?

Answer: No, there are many revolutions. And they are taking place right now. In Spain we have created a silent, extraordinary revolution. Spain is the country most advanced in tolerance, in acceptance of customs in all of Europe. No one can teach us anything about that. There is a revolution in Spain which has begun very rapidly, a revolution in technology, which will probably change the habits of the Spanish people. There is a revolution moving at giant steps, a revolution in cultural demand. There is certainly

a cultural supply, but the demand is tremendous. There is still much left to be done, without any doubt. But the desire exists. And there is a magnificent revolution going on concerning the return to nature. People are already weighing the alternatives to decide when an action really means progress.

Question: What can you tell us about centralism?

Answer: There was a centralist state in Spain. And to top it off, it was an authoritarian state which has been transformed into a democratic state, and now into an autonomous state. Let's say this for once without having any hangups about it: is there a federal state anywhere in the world which has the responsibilities that our autonomous communities have in Spain? Not one. Not in economics, nor in political, administrative, and economic areas. What centralism? That's nonsense.

Question: Are the budgets of the 17 communites ruinous?

Answer: That depends on how they are used. They have an amount of resources equivalent to what the state spent in those areas. If they are used wisely, there is no reason why they should cost a single peseta more. Actually, they should be less expensive, as they are closer to the citizens. But if they are used poorly, they will be more expensive. You can find examples to show anything.

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POLITICAL

SPAIN

IGLESIAS URGES END TO INWARD-LOOKING PCE

Madrid MUNDO OBRERO in Spanish 13 Jun 85 pp 40-46

[Summation by Spanish Communist Party (PCE) Secretary General Gerardo Iglesias at the PCE National Conference]

[Text] The summation of Secretary General Gerardo Iglesias closed the PCE National Conference. We are publishing the summation below. The report and the summation were approved by all of the delegates in attendance; there were no votes against but three abstentions.

It is going to be very difficult for me to summarize such a wide-ranging, extensive debate with so many nuances that have arisen during discussions in the committees and the plenum. It will be easy, though, in the sense that for the most part there has been quite broad agreement with the proposals in the general report that I submitted here on behalf of the Central Committee (CC).

Before reviewing some of the main issues that have been raised here, I would like to emphasize that we were all completely aware of the trying, complicated times in which this conference was being held and that nevertheless it began normally, it has proceeded in great calm and, I venture to say because I believe it, it is drawing to a close with calm, with hope and with enthusiasm. There have been efforts to bog down the National Conference of the Spanish Communist Party. Quite to the contrary, however, it has been a conference of debate, a conference that while highlighting the party's broad identification with the policy charted at the 11th Congress, has also highlighted another very important development, namely, that increasingly we have a party that does not ally itself with anyone. What I mean to say by this is that it criticizes what it has to criticize, independently of who might be defending ideas or posts. This is a party worth working for, comrades. Having said this, I will talk about the importance of this conference in my summation. I could summarize the discussions by asserting that I and the leadership of the party agree totally with everything that the various spokesmen of the various committees have said. Nonetheless, I am going to elaborate on a few issues. I am not, obviously, going to engage in a case-by-case analysis or go into detail. This statement goes for the minor details, the less important proposals or nuances. In general, we agree on all issues.

There has been a clearly justified emphasis on the struggle for peace. It is no accident that much of the debate has focused on this issue. As we have said in many speeches and as I emphasize in the report, it is a key factor in the rebuilding of the Left. At the same time, it is a new, nontraditional area of party activity and, therefore, demands a greater effort of imagination and debate from us. It has rightly been pointed out that we must elaborate on and define rigorously and coherently the option of neutrality, in particular, the defense model that goes along with it. I feel that the emphasis that a number of comrades have placed on this issue is very important. We must speak out more strongly against "star wars" as another intolerable escalation of the arms race. The problem is that here the struggle for peace has of course been very polarized on the NATO issue. Obviously, though, the party has to put forth a major effort to place this struggle in its strategic perspective. Your speeches have reflected a concern that the role and space of the referendum committees and the peace movement must be better defined. So that I do not have to dwell any further on this issue here, we should probably draft a political document that deals specifically with this matter. As was to be expected, special attention was given to economic issues. I think that it has been quite proper to regard the underground economy as a growing problem that models and prescriptions do little to resolve. This is an issue that we must continue working on within the framework of the economic alternative, which is open to discussion with other forces, which is always open to elaboration and development.

The emphasis that some speeches placed on the cooperative movement also strikes me as significant. It has been said quite rightly that it must be approached not as just another front but as an element in a socialized economy that has the power to bring about change, that is an alternative to the monopolies if we are able to create horizons for it. Indeed, I agree with those who have attached importance to this issue and I would like to explain that the report addressed it only somewhat in passing because a report, by its very nature, cannot deal comprehensively with things. On the one hand, it provides an overall assessment of the party's performance. On the other, it analyzes the prospects for the Left, the political moment and the party's tasks. Obviously, though, the leadership wants to pay as much attention as it can to both the everyday work of our activists and to the elaborations that enable the party as a whole to strive to develop this major sector as part of a program for change.

The delegates and spokesmen have, of course, talked about another issue as well. I am referring to the CCOO [Workers Commissions]. I feel that significant emphasis has been placed on the fact that this party must at all costs retain its influence in the CCOO union. The defense of its independence is a struggle that we must wage at all costs, I would say, especially today when the union is the main factor conditioning the administration's economic policy, that is to say, the CCOO is proving to be the only effective tool for the defense of the workers in this country. I think that we have to acknowledge today that the CCOO is a true stronghold of leftwing opposition. Therefore, I would say that anyone who

tries to shift the PCE's problem of internal strife to the CCOO is guilty of irresponsibility. We have already said that the destabilization of the PCE, the split in the PCE, was an enormous drawback for the defense of the workers; in other words, it was severely weakening the positions from which to defend the workers at a time of profound economic and social crisis. Therefore, it is enormously irresponsible to transfer any internal party problem to the CCOO, at the expense of unity, at the cost of weakening this great union organization. Consequently, I call on everyone to make an all-out effort, because labor unity must be maintained above all, regardless of the positions that communists defend.

I would also like to talk about institutional work, because many speeches have discussed it. It has been pointed out, and quite rightly I think, that institutional work is also a way of addressing society, that we should not separate the two aspects of our activity. I think that we must make more of an effort to link the party's general activities with the work of all our public officials. Those who pointed out this extreme were quite right. Work in the institutions must not be limited to the institutions themselves or, at least, to the way that the mass media portray that work to society. A communist approach to parliamentary activity must mean that every initiative, every suggestion submitted to the institutions must be debated, talked over and then reported to the segment of society hardest hit by the problems in question.

More than once I have cited Horacio Fernandez Inganzo as an example, and not out of party chauvinism or for subjective reasons. The fact of the matter is that his performance is a perfect example of how a deputy should proceed in parliament. He scurries from town to town, visiting work places, keeping in constant contact with the problems of sectors, businesses, specific groups, talking things over and reporting back all the time. I realize that institutional work consumes a great deal of energy. We must all realize, however, that while one foot of our program is to be found in the institutions, the other is in society. Thus, we cannot divorce work with the masses from the work of our institutional representatives. They must be combined. Hence, as has been rightly suggested, we must better coordinate the efforts of our communist councilmen and mayors and the party leadership must develop greater consistency among the municipal and autonomy policies of each party in the regions and nationalities.

I would also like to address the problem of our emigrants. This issue has become a major one. That pleases me. I think that it is only right. It is also only right for this conference to put an end to the party's disregard for emigration problems. I don't know whether a specific proposal will be possible. For example, it was mentioned here, there is a supplement for emigrants, but that just gets to them, while the party does not receive the information it needs about the overall problem posed by our emigrants or the conditions they live in overseas. In any event, the emigration problem must be regarded as a national political problem. In particular, the issue of bringing them back must be taken up

politically in the organizations that are most affected, the institutions especially.

I am going to mention another problem, once again in passing, that the party must continue thinking deeply about. It is the women's issue, in other words, the party's struggle for women's liberation. It has been said here rightly that this is an issue on which we tend to make statements of principles but fail to really change our behavior, to really change the party's practices in a bid to better understand the real problems of women. You have seen that the report calls for a conference or a symposium, call it what you will. The important thing is that the party must take the bull by the horns on this issue, if I may be allowed to use this expression. There is a great lack of understanding and sensitivity towards this problem, and it can be seen in the heavy absenteeism when specific meetings are called to discuss this problem at all levels. I think that instead of theorizing, which I cannot engage in at this lectern owing to considerations of time, this conference must make a firm commitment. But when I say the conference, I mean that all of the PCE's organizations must earnestly and as soon as possible begin an in-depth debate on this issue. We will thus be able to make headway in the area of organization. That is to say, each committee and each organization will take steps so that sufficient attention is paid to efforts in this area. We must also delve deeper into theory, because when comrades fail to work, it is almost always because deep down they do not understand the issue in question. And in this instance the deep lack of understanding is obvious. I realize that what we have here is a very serious cultural problem that is hard to overcome. We acknowledge and underscore this as communists. At the same time, however, this major segment of our society cannot remain neglected or overlooked in a program for change. I stress that we will have to tackle this problem in earnest in the near future.

I would also like to refer very briefly to organizational problems. Although the report mentioned them, considering how often the speeches raised them, I think that we must underscore the need to make a major leap forward in the role and the working method of the party's groups, in spite of what was said at the most recent congress. True enough, as I said in the report, we have not restored the ability of the party's groups to penetrate the social fabric. And if we were to talk specifically about the company groups, there is a desperate need for action. We have made very little progress indeed. This is a major problem. If the party does not have groups with specific activities, with proposals and with their own personalities at workplaces, then I think that when we speak of being a workers party, we are failing to realize that a workers party must sink its roots first among the workers, in the working class, at workplaces. There is no use delegating work to the unions, even though there are many communists there. The party must have an active political presence as a party in each workplace. I am certain that we are not going to be able to solve this problem unless we discuss it in depth with the union cadres that we have at each workplace. I am not saying anything new; this has been repeated time and again. What I am doing, though, is pointing out

that we have a very serious problem here, one that we have discussed on many occasions. Our objective must be to create many more PCE groups at workplaces. Comrades, we must completely revamp the party's style, its working method in the groups. This is a huge problem. Some might think that large-scale analyses, major proposals from above are what will move our program forward. Until we have groups that can take the initiative, that can propose, coordinate and link up in each town and neighborhood, as long as many of our groups' meetings remain, to put it bluntly, barroom get-togethers, I think that we are going to make little progress. We have to make an effort to get the party out of its locals. Party facilities must be places of work or, at least, places open to the citizens who want to build something social, cultural or political. Furthermore, though, the party's activists do not have to worship the saints at party facilities. They must become involved in their neighborhoods, in cultural clubs, in bullfight clubs, in athletic associations, in neighborhood associations, in parent-teacher groups, bringing up issues and trying to take joint initiatives concerning the neighborhood. We must even try to make our locals physically attractive places that are not barriers between us and our neighbors in the apartment house across the street. We also have to bring cultural activities and conferences to our locals, things that attract people. I do not want to expatriate, but revamping the work of our groups is unquestionably a fundamental requirement for this party to make progress in winning back members, because people join the party when they see that it is a useful vehicle for accomplishing things back where they live. Furthermore, comrades, this revamping is a fundamental requirement for progress in the political and social convergence and for gaining credibility for this party in society.

Now then, I could continue discussing many points that were highlighted in our comrades' speeches. I have already said, however, that we agree with everything that has been proposed here. So as not to waste time, I am not going to dwell any further on the details of this or that proposal, because in any event the resolutions that you have passed contain specific proposals that have come out of the committees.

I want to add that I am very pleased that all of the discussions here at the conference and in its committees have been constructive discussions. Let me explain myself. Comrades, I think that owing to our history, the 40 years of hard work in the underground, and owing to our political space at the moment, it is a natural and logical temptation to lapse into a testimonial political struggle, a defensive resistance effort based on sheer criticism. I think, then, that it is worthwhile emphasizing that during these debates a real effort has been made to criticize the policies of the administration, to highlight social problems, but above all to look at things in perspective, to come out and say that we have to hold conferences, draft, debate and put forward proposals. I think that this party, that we have entered a period in which we have to place mounting emphasis on the alternative, the proposal, and not just apply pressure and hold rallies. Rallies have to be complemented by our alternative, and at all levels. If the party today is bent on putting together a new political alternative that along with social mobilization can lay the

groundwork for a leftwing political alternative, then we must realize that this has to be built at all levels and that the party has to break once and for all with the working method that past conditions imposed on us: mainly agitation. We still have to agitate today, but above all we have to propose and we have to debate. And in this regard I think that the constructive debate at this conference is a very encouraging sign for the party. The party has to make more of an effort every day to be accessible. We must not tire of stressing that the strength of the leadership of the Spanish Communist Party is going to depend not on our tenacity in rigidly defending proposals but on our dialectic potential, our accessibility, our ability to represent social grievances, to debate, to interact with all segments of society, with all of the various cultural manifestations on the Left in this country. I think that it is in this direction that we must move. I think that the convergence proposal will be a serious contribution to this end. Yes, we have to pursue the policy of divergence. I am not going to dwell on it, because we are all in agreement and I think that the report states quite clearly and in detail that we must continue pursuing it. I do want to say, however, that we must view the policy of convergence as an extremely important vehicle for enhancing the party's communication with society, for developing its responsiveness to problems and to the factors, movements and potential for change that exist in society. We must view the convergence policy as something that can help us to alter our political style and make it more open, so that there are fewer barriers between what the party's activists and regular bodies discuss and what a wide range of other leftists think and discuss. As the report states, from now on we must be prepared on the basis of this policy to build platforms of action at all levels with other people, with other groups, comrades, without any fear of blurring the identity of our party. Our party became legal in this country as a premier organized force that had influence not only among broad segments of the traditional working class but also in the world of culture, mainly on the basis, I think, of our work in the CCOO. We should recall, however, how the party has always operated in the CCOO. It did not go around waving banners or symbols all day. It put forward proposals in a modest, respectful manner and was thus able to put together a wide-ranging movement on which it was able to grow. I remember the years when out of those scruples, that respect for the union's independence, even the best known of us communists did not mention our membership in the party. And we were not dividing the party, comrades; the party was growing, and Marcelino Camacho and other leaders did not go around the factories saying that they were communists, but there is Marcelino Camacho running this country's number one labor federation, as a communist, as a communist. There is no reason to fear. The party's isolation stems from its inward-looking approach, its isolation from the most dynamic elements of society. It is here that we must turn our sights.

Comrades, it has been suggested to us that we wait until the PSOE [Spanish Socialist Workers Party] falls apart, until the edifice crumbles, before joining together with the PSOE. What we should actually do right now is not oppose the PSOE; instead, we should win over the PSOE's most leftwing factions and try to build an alternative movement on the PSOE's left. I

will repeat something that the report mentions but that I feel ought to be underscored: We must make a credible effort to set a political movement in motion, because social mobilization is not enough; there are limits to it. There must be political prospects. We must be able to do this generously and boldly and be willing to talk and work with everyone with whom we have a minimum of common ground on policy. This is the effort that the party must make at this juncture.

Comrades, in another vein, I would like to state at this conference that in spite of the adverse times that the PCE is going through, given the stance of the group of comrades whom we all know, I think that we are witnesses to very interesting developments. I don't know whether you share this opinion of mine, but for the first time in my 25 or 26 years as a party member, I have seen that the debate on the fundamental issues of party strategy, of party policy has reached throughout the party. All of my comrades on the Secretariat have commented on and were greatly impressed by the political level and the profundity of the speeches, profundity not in plans of action or rhetoric but in the questions that the Left is faced with today in Spain and Europe. I think that the party is truly grasping the new developments we are witnessing today. The entire party, not just the leadership, is starting to realize that this business of a renovation is not an abstraction or a reckless move and that the reckless thing to do is not to change when a society changes and evolves, when we see to what extent the so-called scientific and technological revolution is causing sweeping change within the working class itself. The fact is that we must engage in this analysis, comrades. And we have to take an in-depth look at what sort of social base for change we have to put together today in order to engineer a revolution of the majority. Those who continue to assert that the forces for change on which we must rely today are to be found solely in the traditional labor movement are completely wrong. There are new factors, new potentialities, and once again I assert, they are not temporary. Each period of history offers new forms of organization, new ways of pursuing politics. Let us not forget that we are in a period of change. Let us not forget that May 1968 highlighted something very serious that touched the very vitality of the traditional worker parties: something exploded there that was to force the traditional parties to reassess their politics and their stands.

Comrades, the deeper we delve into this analysis, the more we lend true revolutionary substance to the PCE, because we are helping the party to regain its contacts with the forces of culture and to strengthen its contacts with these new social movements. Our historic mission is to seek a convergence with the struggle of the working class and all progressives. This is our challenge.

Comrades, we must be able to keep on mobilizing and debating in society. The party does not offer stock answers for a lifetime. The party offers a different agenda, a different attitude, a more open, not a more closed attitude. Comrades, we must have no complexes about adopting our original strategy, the strategy of the democratic path towards socialism, or about reaffirming it. What do I mean by this? That we do not have to

go around in disguise all our lives. We are communists and we support an agenda of radical change in this society, and if certain circles do not like it, too bad. And I do not say this lightly. In the past I think that we have tried too many things in disguise, and there is no reason to disguise ourselves. We are revolutionaries. But neither do we have to have a complex about defending and reaffirming our original strategy in the face of other models. To give our strategy legitimacy and viability, we do not have to make it fit a European mold. We do not have to be comparing it all the time, as we have in the past, either with the Soviet model or with other models. Naturally we are going to engage in criticism. But we come back to the same point that I underscored at the outset. We are going to debate and propose constructively above all, because this is how to move forward. We do not have to be comparing all the time. Because, where does that lead us? As it has in the past, it eventually leads to a situation in which people have better relations and communications with and more of a liking for the parties that are ideologically farther from communism and socialism that the PCE is. But we are going to do it on the basis of the party's independence. We must be patriotic, comrades. More than ever we have to reaffirm the PCE's nationalism, especially since we live in a world in which the dynamics of the two blocs, the two poles tend to condition everything. Struggling for this third path means reaffirming, not lapsing into autarkical positions from any standpoint. We must reaffirm, underscore above all that we are Spain and within Spain we communists must emphasize and strengthen pluralism and the differences that really do exist. But let us do so with conviction, without complexes, debating with everyone and criticizing whatever we feel like. But we must criticize because we entitled to make our political positions crystal clear, not because we have something to justify, but that is a defensive, complex-ridden attitude. Comrades, we must strive to renovate the party in the face of any bureaucratic manifestation, though it is difficult here to specify what changes we have to make in the party's internal workings. It is difficult because at times the old culture, old habits manifest themselves very subtly, almost imperceptibly, but they still have enormous influence on our behavior. At this conference and yesterday at the meeting of the Central Committee we have clearly seen that this is beginning to be a different party. We no longer have to wait and see what the Secretariat or the secretary general says before we take the floor. We just have to attune our minds to what is going on and voice our opinion. This is the party that we must build, the party of synthesis, which means listening to the opinions of others and bearing them in mind, which means that dialogue, consultation, debate and fuller participation must become everyday practices. Comrades, I think that there is something that we should be doing on an everyday basis. I am talking about consultation with the entire party rank and file on all major issues, not just in emergencies, not just when there is a major problem with a minority, no, but also when we are drafting an economic alternative or when we are addressing a major political issue. It is all a matter of making the effort and providing the mechanism. I think that it is perfectly possible to accustom our party to this. The groups can get together in a few weeks, and there we have a mechanism of communication for channeling

criticisms and proposals very smoothly. I would advocate the sort of initiative that we have seen here recently. It is not customary in Communist parties, but ours is in the process of renovation and can and must become a party in which members truly participate. I want to stress, comrades, that whatever decisions that minority forces us to make, it is destroying the PCE, whether on purpose or not, I do not objectively know. Whatever positions we are forced to take to save this party, this party must maintain the approach that it has followed so far: we must not close ranks. In every time of crisis, of internal crisis in particular, we have tended to close ranks, to restrict debate and discussion. We must endeavor not to lose our perspective in this regard. We must continue moving in the other direction, reaffirming the party of synthesis. The monolithic party is finished, comrades. The chief is no longer the sole spokesman for the opinions of the party leadership. Of course there must be a hierarchy here, because there must be unity of action. But there must be many major public figures in this PCE, not just one and not just on the national or regional level. There must be much more initiative from party organizations. We must decentralize political initiative. Let us avoid closing ranks at all costs, regardless of the kind of provocations that the minority sector engages in. And we must do all this with firmness, without which a party cannot offer itself to society as a party that can work for a program of change.

Comrades, I would like to emphasize that this party has to further develop its sensitivity to a series of problems that are not new but that are taking on renewed importance. This party has to work hard on the problems of young people. We have to aid the UJCE [Spanish Communist Youth Union] in every respect, materially, organizationally, but we must also realize that the PCE has to have a youth policy and show concern for the problems of youth.

I mentioned the women's issue before because I wanted to emphasize it. This party must further develop its sensitivity in representing demands for the defense of the environment and of the large and growing underprivileged classes that this society is producing. Our party is very accustomed to defending collective bargaining and grievances in the workplace, but there are other demands in society to which we must pay greater attention. Each group must be more responsive to these demands, and this does not alter the party's class character.

Bringing other sectors into the struggle at workplaces means intensifying the class character of that struggle. Comrades, I am convinced that we are laying a solid groundwork for a Communist Party that can meet the challenges of Spain's future from the Left. It might seem like rhetoric, but I am convinced that from this debate and from this entire crisis, which has made us pay a very high price, will emerge a party that is still strong enough to move forward in its human potential and impact on society. Moreover, I think that it is offering itself to Spanish society today with a new mentality.

In many ways, we said here yesterday, this is already a new party: in the way it operates and reacts. I was at the Congress of the PSUC [Unified Socialist Party of Catalonia]. There were problems. There are problems at all congresses. But certain traits stood out above all else: good sense, responsibility, democracy, where the majority ultimately says what has to be done to get the debate rolling again. In passing, I would like to say that that congress, for this reason alone, represented a very important contribution to consolidating the PCE and its development.

Comrades, the crisis, the difficulties that this party is going through for reasons beyond its control (I think there is no need to assume that people are ill-willed) and because of mistakes that we have made, have caused some comrades to revert to a past that history has obviously left behind, to a past and to ideas that hold no future. Such ideas have no future whatsoever. I think that we must be generous and understanding about all this, continue renovating the party and avoid any closing of ranks. We must show serenity and firmness in dealing with the party's current situation.

We must show firmness because we have a historic responsibility to move the PCE forward. To this end, the party must be able to say every day and all times what it thinks about this country's economic and social problems, about civil liberties, about government, about peace, about terrorism, about drugs and about cultural issues. And of course, if each meeting of the Central or Executive Committee or another body turns out to be a slugfest, the only thing that we are showing society is that the PCE is one big problem. Therefore, serenity means reflection. Above all, however, we must unburden the PCE of the obstacles that are preventing it from saying what it wants to say to society, because this PCE is not an end in itself, nor is it the personal property of anyone.

Let us be serene, but let us once again call on all those who have a long history in the party. There is no better unity or no better communist program than the unity and the program that we put together within this PCE, because here is the PCE with its long history, a PCE determined not to be dragged back into the past by pressures and problems, a PCE that looks to the future, with its young people, but that also, I would emphasize, has its history and its veterans.

It was possible in the past to speak of national reconciliation, a pact for freedom and Eurocommunist strategy because behind them was a charismatic figure of the stature of Dolores Ibarruri. Just as we were able to dominate the 11th Congress, and I am not saying this on the spur of the moment in opposition to the minority faction, we have also been able to hold this conference and to leave here saying that we are moving forward. We can do this because behind this renovation, which is communist, we find Simon, Marin, Horacio, Gregorio, Santiago Alvarez, Leonor Bornau, Jerez, and forgive me for leaving out so many others. All of the party's veterans are behind us, and this gives enormous confidence and encouragement to those of us who have not been around as long. Let us move ahead then, comrades, and seek out the young people who are not yet

in the party. Let us offer them a party whose workings and whose thought-provoking policies will encourage them to join.

Comrades, I would like to read to you, with the firmness and serenity of which I spoke, the resolution that the Central Committee of the PCE passed yesterday.

There has been a new development in the movement to defy all rules, to engage in insubordination for insubordination's sake. A public meeting has been held formalizing a political and organizational platform; they do not call it a party. At previous Central Committee meetings and at the meeting at which the integration proposal was put forth, we have said that anyone who reaffirms that there are two parties and acts accordingly can consider himself automatically expelled. This party wants to make another effort at generosity, in a bid for true unity, not as a sign of weakness, let it be understood.

As Camacho was saying yesterday, when you take two from four, that is not unity. When you add one to two and make three, that is unity. Pardon me, vice versa.

So, the Central Committee resolution reads as follows: "The Central Committee, gathered together to examine the developments in the internal situation of the party and of its leadership and having heard the speeches of the delegates to the National Conference and its spokesmen, resolves:

"First, To call attention to the gravity of the public meeting that 19 members of the PCE Central Committee held today, carrying through their decision to establish a political and organizational platform that makes good their announced intention to create another party within the PCE;

"Second, This action is the culmination of systematic violations of the PCE bylaws passed at the 11th Congress and stands in defiance of the National Conference, the PCE's highest representative body between congresses.

"Third, During this period the Central Committee has made every effort to normalize the party's internal workings. To this end, it has put forth specific unification and reconciliation proposals that embody most of the proposals drafted by those who have violated the PCE's fundamental rules.

"Fourth, In view of this situation and cognizant of its responsibilities to the party, to the workers and to Spanish society, the Central Committee of the PCE feels that if such efforts continue they will gravely endanger the party's very existence and turn it into an element of permanent instability in the party system that is inherent to democracy.

"Fifth, Therefore, inasmuch as the plenum of the Central Committee of 6 and 7 March made it clear that the creation of another organization within the PCE was unacceptable and that its pronouncement was overwhelmingly supported by the party's organizations, the Central

Committee hereby declares that the following of its members, Norberto Buenache, Rafael Pillado, Anselmo Hoyos, Angel Cristobal, Javier Terriente, Adolfo Pastor, Adolfo Pinedo, Julian Ariza, Juan Villalba, Ignacio Latierro, Julio Perez de la Fuente, Tomas Tueros, Jose Galan, Jose Fons, Jose Soriano, Juan Ignacio Marin, Lorenzo Hernandez, Santiago Carrillo Menendez and Santiago Carrillo Solares have placed themselves completely outside the regulations and the indispensable organizational structure of the PCE.

"Sixth, The Central Committee hereby gives the aforementioned comrades 15 days to rectify their position and accept the resolutions of the National Conference and the Central Committee and the PCE's bylaws, which they must do explicitly and individually. Otherwise, the PCE Central Committee shall duly confirm at a plenary session that the aforementioned comrades have been automatically expelled from leadership bodies.

"Seventh, The Central Committee hereby decides to replace Santiago Carrillo as the spokesman of the Communist deputies in Parliament, inasmuch as this is a position of confidence of the party leadership."

Comrades, as you can see, this resolution is consistent with the serene but firm approach that we have taken over these past 2 years. We have always declined to close any doors to unity, but at the same time we are resolutely promoting the Spanish Communist Party. As I said before, this party is going to keep on compromising and working for integration and consensus. This party refuses to see its windows on society shut, but we do not wish to stew in our own juice.

Consequently, we stand firm in our policy of not expelling anyone from the party. If these comrades do not change their ways, we feel that the least we can do is establish the conditions so that the Executive and Central Committees can work and voice their views to society, so that when the TV cameras are on us, we can talk about the problems of the workers, of young people, of women, about what this party really wants to concern itself with. The time has come for us to bring to a close the period when the only news about the PCE was news of its problems.

And we will once again calmly tell these comrades that if they reconsider their position, if they accept the resolutions of this conference and the bylaws, they can continue as part of our leadership bodies. What is more, we are willing, as always, to seek them out as major figures in their own right. No one is more determined that we are to avoid ruining the heritage that this party has forged with its history of struggle. But we refuse to see this party ultimately destroyed.

We extend this call to those comrades and to those who are on the outside, as well as to other groups. The PCE is prepared to accept all of you, your differences notwithstanding. No one is going to be offended at those differences; we know more or less what they are. In any event, I believe that over these past 2 years we have created a better climate in the party for coexistence with certain communist factions that have departed,

that have taken the splinter-group approach. I call on them here, and in every province, in every regional or national party we are going to make specific, generous, bold efforts towards real unity among all communists. In addition, this party has to take to the streets, win the battle for the referendum, prepare for the upcoming elections, and wage the membership battle for a renewed, open party.

Comrades, we must also prepare to win union predominance for the CCOO in the upcoming elections. We must continue to participate, to criticize, to work, but with unity of action at all times, because this is an inviolable principle for a party that is offering an agenda of real social change.

To speak of revolution and then to engage in activities that tend to break the PCE into pieces has nothing to do with revolution; it has to do with other things. Down with personality cults in this party, down with dynasties in this party, down with the old philosophies. The only valid philosophy is that this is an organization in which everyone has a voice, in which the majority ultimately decides and in which on this basis we work without fanfare to normalize dissent. Long live the National Conference of the PCE. Onward.

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POLITICAL

SPAIN

IGLESIAS: POLICY OF 'CONVERGENCE' DEMANDS TACTICAL FLEXIBILITY

Madrid MUNDO OBRERO in Spanish 6 Jun 85 p 46

[Text] The Madrid Regional Committee and the Marxist Research Foundation organized an outstanding series of lectures as part of the ceremonies commemorating the 65th anniversary of the PCE [Spanish Communist Party]. Jose Sandoval opened the series with a historical overview of the "Four Generations of Communists" who have carried the party's struggle forward. Luis Lucio Lobato spoke on "The Policy of Alliances in the Party's History." Gerardo Iglesias closed the series with a lecture on "The Party Yesterday and Today." We offer a brief summary of Iglesias's address. The Marxist Research Foundation will soon be publishing all three lectures.

When we compare the "party of yesterday" and the "party of today," Gerardo Iglesias began, the renovation of the PCE emerges as the central issue. The special conferences in Madrid and the Valencian Country have marked the end of a several-year cycle the essence of which has been the battle between those pushing for the renovation of the PCE and those resisting it. The fact that these obstacles have been surmounted does not mean, however, that the problem has been resolved; it merely means that a move in that direction is under way.

The party model must change in accordance with the changes that come about in society. This does not entail a change in its nature; on the contrary, the party model must change precisely to preserve its nature. Lenin made changes in the party that Marx and Engels described, and he did so as part of an insurrectional strategy in a country and under conditions very different from those that Marx had foreseen. There is nothing closer to Lenin's dialectic spirit and to the original ideas of Marxism than to adapt the party to strategy.

This is the issue that the 11th Congress addressed in earnest. We had previously amended regulations and bylaw articles, but we did not undertake a rational struggle of ideas concerning the party that we needed. This is the struggle that we must wage today and the primary reason for the renovation of the party.

The second reason has to do with social changes. When the worker parties emerged, the social base was purely proletarian, and the only possible alliance was between workers and peasants. Today, the social base of a revolutionary agenda is much more complex, and there are other essential components to be incorporated into the bloc. The new social base does not pose merely a problem of strategy (the revolution of the majority); it also calls for a new party model, because the traditional model was fine for the organization of the active working class but very poor for the organization of the underprivileged, young people and the forces of culture. And if this is the case, how can we think about revolutions of the majority?

A third reason for the renovation of our party is to be found in our history. Ours is a party that has been forged in war and in the underground. The habits that it has acquired in the process contain elements that must be overcome in order for the party to fully play its role as a legal, open organization in a democracy. Although we have surmounted certain obstacles, the task of renovation still lies before us, intertwined with political, social and electoral recovery. Renovation and recovery are the two sides of the same coin.

A renovation in what specific sense?

In the first place, to preserve its revolutionary character. A factional, ideology-bound party without a policy of alliances is a conservative party, not a party of progress.

Second, to live up to the ideas that the 11th Congress revitalized:

--A party that leads, not dominates, that seeks predominance through its ability to establish proper policies and alliances, which is particularly important in our relationship with the mass movements.

--A party of the working class, not the party of the working class. This is a recognition that a single political force cannot represent the confluence of social interests, cultural sensitivities and energies for change that the progressive bloc must comprise.

--A party of the masses. This means more than just adopting flexible criteria for membership; it means seeing to it that membership in the PCE provides real possibilities for involvement in political, social and cultural life.

-A lay party. Taking this to its logical conclusion means making the PCE a party of action by the masses, with a complete platform and unburdened by the millstone of a paralyzing emphasis on ideology.

--Democracy within the party, a key element in the renovation. The problem lies in democratic internal practices, not in the bylaws. This is the meaning of the concept "normalizing dissent." It means

acknowledging that differences of opinion are real and that only the course of events can reconcile majority and dissenting views.

The direct involvement of the entire party, of each and every one of the members, in making major decisions is, in my firm view, Gerardo Iglesias underscored, an idea that must catch on. We have had experience with it in Madrid and Valencia, and the results have been very positive. We must no longer regard this approach as unusual.

--The party of struggle and the party in power. This means a dialectic relationship between our activities in public institutions and in social movements. If we must give priority to something today, it should be our work in social movements. There can be no program of socialist change without a wide-ranging coordination of civilian society and unless the demands of young people and women are included in the program.

When the PCE comes to power in due time, it will mean a radical turnabout in expectations, in style, in the involvement of the masses. It will be a qualitative leap, as a party of struggle will have taken office, a party that does not conceal the meaning of renovation. The purpose of the renovation is to change the system, not to adapt to it.

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POLITICAL

SPAIN

BASQUES CONCERNED ABOUT ECONOMY, NARCOTICS, ETA

Madrid CAMBIO 16 in Spanish 8 Jul 85 pp 27-30

[Article by Jose Manuel Arija]

[Text] Pessimism may perhaps prove to be the most prominent feature among the Basques, when their situation is compared with that of the rest of Spain. Generally speaking, in the view of the majority these relations are faring badly. Compared with the rest of the country, the economic situation in Euskadi is "worse" rather than "better," not quite but nearly as bad in the case of the citizens' security (only 11 percent think that "it is better here than elsewhere in Spain," as compared with 44 percent who answer "worse"); and as for the drug problem, there is no longer any doubt: all agree in stating that this situation is faring very badly in the Basque Country.

When these responses from the monthly ECO-CAMBIO 16 poll for July are compared with those for the very same questions asked in Catalonia last April, the differences are sizable: 73 percent of Catalonians claimed that the relations with the rest of Spain were good or bordering on good, and for the most part they were satisfied with their community's economic and social situation.

There is no doubt that the differentiating factor between the two societies is neither the Statute of Autonomy nor the feeling of independence, which are likewise in the minority and in similar percentages. What distinguishes the pessimism from the optimism in the two historical communities is terrorism.

The nervousness caused by the presence of the ETA armed group affects the poll results in the Basque Country. For example, although 40 percent are not in agreement with the KAS [Patriotic Socialist Coordination] alternative, proposed by the ETA members and HB [Popular Unity], 26 percent think that the implementation of the five points (self-determination, incorporation of Navarra, removal of the Security Forces, amnesty and labor improvements) would be positive in surmounting the present situation in Euskadi. In other words, in addition to the HB voters, 11-12 percent are inclined toward this solution.

Nevertheless, this is the measure which receives the least acceptance. Other courses of action are considered more acceptable, such as the implementation

of the Statute, cooperation with the French Government and pardons for those who give up armed struggle.

70 percent of those polled are in favor of the pardon when the pistols are relinquished. But, what is still more important: three quarters of the Basques are advocates of the disappearance of ETA ("immediate abandonment of the armed struggle by ETA" was the exact wording of the question).

In the previous poll, in February 1984, those favoring the disappearance of ETA numbered 65 percent. Now, they have increased 11 percent and, since the supporters of terrorism have not changed (12-13 percent), this means that the persons who, a year ago, hesitated or refused to respond, now they have joined those opposing violence.

In the current questionnaire those polled were also asked: "With which of these statements about ETA are you most in agreement?" The answers were: "it never had any reason to exist," 26 percent; "it made sense before, but not now," 45 percent; "it still makes sense," 16 percent; and "no opinion," 13 percent. This level of response indicates that nearly half the population found justification for ETA in their time, which they do not have now, and only one out of every six Basques thinks that the ETA terrorism should continue to exist.

Among the independence backers (representing 18 percent), half think that ETA should continue to exist, and 44 percent also justify its current presence, answering another question by saying that they feel only Basque. Thus, the two groups which have nurtured ETA historically (the independence backers and those who say that they feel only Basque), and who in their entirety represent a quarter of the population of Euskadi, are currently divided, and only half still support ETA's existence. Percentagewise, the number is small in comparison with Basque citizens as a whole, but sufficient to enable the terrorists to feel sheltered in their activities. That is what is serious and the root of the entire problem of violence, which is still finding groups that uphold its existence.

The Basque society is still keeping a difficult balance, divided 50 percent between those who feel for the most part Basque and those who also or preferably feel Spanish. The young individuals with schooling and a high living standard and who describe themselves as leftists are the segments wherein there is the greatest amount of the feeling of being Basque rather than Spanish. On the other hand, the workers, and those of the moderate left and center, are more inclined toward feeling as Spanish as they do Basque.

By provinces, the differences are very noteworthy (see insert). In Guipuzcoa, 63 percent feel more Basque or only Basque, as opposed to 35 percent in Alava and 43 percent in Vizcaya.

The evaluation of the institutions also shows the meager citizens' satisfaction, far less than that expressed by the Catalonians. Out of a maximum of

10 points, the central government was rated by the Basques with 3.9 points; the autonomous government, with 5; and the town councils, with the highest rating, 5.5 points. In general, favorable opinions of the local governments predominate, but the assessment of the municipal body is always higher than that of the autonomous government.

The feeling of discrimination toward those not born in the Basque Country is less than that perceived in Catalonia. Only one out of every three immigrants in Euskadi assumes the presence of discrimination toward him. The explanation for this difference between the two Autonomous Communities may perhaps lie in the use of the vernacular language. Since Euskera is spoken very little, the language does not cause discrimination, as it does in Catalonia.

The voting expectation in potential general elections on the day of the poll indicates a mood of maintenance for the parties, with an upward trend for PNV [Basque Nationalist Party], a slight decline for Socialists and Alliance members and the same percentages for the rest. It is in Guipuzcoa Province that the most prominent changes occur, with a considerable reduction for PSE-PSOE [Basque Socialist Party-Spanish Socialist Workers Party] and a rise for HB, which might even assume a position here as a second-ranking political force.

As for the assessment of the political leaders, the points given to the Nationalist leaders predominate over those for the Socialists, and only a decline in the acceptance of Xavier Arzallus and Carlos Garaicoechea is noted, if we compare it with the same data procured a year ago.

Those polled who consider the present relations between the central government and the "lendakari" [president of the Basque Government], Ardanza, far better than during Garaicoechea's time are a relative majority; and the three provinces acknowledge this, particularly the Vizcayans. Nevertheless, this improved state of institutional relations has not yet been translated into a greater liking for the present "lendakari" over the previous one.

In summary, it may be said that the poll shows few changes in the Basque society's situation. The different positions remain between the "abertzale" [patriotic] community and those who feel in solidarity with the rest of Spain, and also prominent is the enormous concern that exists over the economic problem and that of drugs, on which all the citizens agree.

It is also encouraging to note, in comparison with a year ago, how the rejection of the ETA terrorists' armed struggle has increased, rising from 65 percent to 76 percent.

The Support for ETA

Of the three provinces comprising the Basque Country, Guipuzcoa is, with a great deal of difference, the most pessimistic and at the same time the one in which the independence movement and the support for ETA have the most repercussions. Alava, on the other hand, is the most optimistic and moderate.

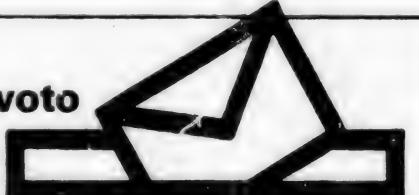
The Guipuzcoans are the ones who have the worst opinion of the current status of their community's relations with the rest of Spain, and the ones who, also comparatively, find their economic situation and the drug problem the worst, although they are somewhat more optimistic about citizens' security. To a large extent they even consider the relations between the central government and the present "lendakari" worse than they were with Garaicoechea.

The solution of having armed struggle abandoned by ETA is supported by three quarters of the Basques. But, by provinces, it is desired by 81 percent of Vizcayans and Alavese, declining to 67 percent in Guipuzcoa. On the other hand, whereas, in Vizcaya and Alava, only 13 percent of the population sees sense in ETA's continuing its action, in Guipuzcoa the proportion increases to 22 percent.

The independence-oriented sentiment also undergoes major fluctuations. Favoring this solution are 14 percent of Vizcayans and 11 percent of Alavese, as well as approximately twice the percentage of Guipuzcoans: 24 percent. Feeling that they are exclusively Basque are 19 percent in Vizcaya, 14 percent in Alava and 35 percent in Guipuzcoa. As for language, in Vizcaya and Alava it is spoken fluently by very few (15 and 5 percent, respectively), and in Guipuzcoa by 45 percent.

Herri Batasuna [Popular Unity], the independence-oriented coalition and the backers of ETA would be voted for in the next elections by 12 percent of Alavese and Vizcayans and by 20 percent of Guipuzcoans.

País Vasco: (1)
Expectativa de voto



%	ELECCIONES (2) GENERALES		ELECCIONES (3) AUTONOMICAS	
	(5) Partidos Encuesta	Resultados 28-10-82	(5) Encuesta	Resultados 28-2-84
PNV	36	31	40	42
PSE-PSOE	26	29	22	23
HB	14	14	15	15
AP (8)	10	11	8	9
EE (9)	8	8	10	8
Otros (10)	6	7	5	3

Key to Table 1:

1. Basque Country: Voting Expectations
2. General elections
3. Autonomous elections
4. Parties
5. Poll
6. Results, 28-10-82
7. Results 26-2-84
8. Popular Alliance
9. Basque Left
10. Others

(1) ETA y los problemas vascos			
«¿Cuáles de los siguientes puntos son o serían positivos para mejorar la situación actual en Euskadi?» (10)			
			Junio-85 (%) (3)
Aplicación del Estatuto de Autonomía (4)			
SI (5)		77	
No		11	
No responden (6)		12	
Aplicación de la alternativa KAS (7)			
SI		26	
No		40	
No responden		34	
La colaboración del Gobierno francés (8)			
SI		38	
No		48	
No responden		20	
Indultos a los que abandonen la lucha armada (9)			
SI		70	
No		17	
No responden		13	
Abandono de la lucha armada por ETA (que desaparezca ETA) (10)			
SI		76	
No		13	
No responden		11	
Negociación Gobierno central/ETA (11)			
SI		63	
No		21	
No responden		16	
«Con cuál de estas frases sobre ETA está usted de acuerdo? Dígame el número de la frase que le parezca a usted mejor» (12)			
	Total	Independientes	Alber
(15) Nunca ha tenido razón de ser	26	10	10
(16) Antes tenía sentido, ahora no	45	26	36
Sigue teniendo sentido	18	64	44
(17) No opinan (18)	13	10	8
BASE	100%	18%	24%

Key to Table 2:

1. ETA and the Basque Problems
2. Which of the following points are or would be positive for improving the present situation in Euskadi?
3. June-85 (%)
4. Implementation of the Statute of Autonomy
5. Yes
6. No answer
7. Implementation of the KAS alternative
8. Cooperation from the French Government
9. Pardons for those who abandon armed struggle
10. Abandonment of armed struggle by ETA (for ETA to disappear)
11. Central government/ETA negotiations
12. With which of these statements about ETA are you in agreement?
Tell me the number of the statement which seems best to you.
13. Independence supporters
14. Patriotic
15. It never had a reason to exist
16. It made sense before, but not now
17. It still makes sense
18. No opinion

Las relaciones de Euskadi con el resto de España				
(1)				
«¿Cómo cree usted que son las relaciones de Euskadi con el resto de España?» (2)				
(3)	% Total	Alava	Vizcaya	Gipúzcoa
Muy buenas	7	7	6	8
Regulares, tirando (4) a buenas	30	41	30	26
Regulares, tirando (5) a malas	40	35	41	40
Muy malas (6).....	18	16	17	20
No opinan (7).....	6	1	6	6
«Comparando la situación económica en Euskadi con el resto de España, ¿cree usted que aquí se está mejor, igual o peor?» (8)				
Mejor (9)	27	39	23	28
Igual (10)	38	37	40	33
Peor (11)	33	24	34	35
N/C (12)	3	—	3	4
(13) «¿Y en cuanto a la seguridad ciudadana, diría usted que aquí se está mejor, igual o peor que en el resto de España?»				
Mejor	11	17	11	9
Igual	41	38	41	44
Peor	44	43	45	41
N/C	4	2	3	6
(14) «Y si nos referimos al problema de la droga?»				
Mejor	2	1	2	1
Igual	18	28	19	13
Peor	75	60	75	81
N/C	5	13	4	5

Key to Table 3:

1. Euskadi's Relations With the Rest of Spain
2. How do you view Euskadi's relations with the rest of Spain?
3. Very good
4. Fair, bordering on good
5. Fair, bordering on bad
6. Very bad
7. No opinion
8. Comparing the economic situation in Euskadi with the rest of Spain, do you think that it is better, the same or worse here?
9. Better
10. The same
11. Worse
12. No answer
13. And regarding citizens' security, would you say that it is better, the same or worse here in comparison with the rest of Spain?
14. And what if we mentioned the drug problem?

(1) Comparación País Vasco-Cataluña (2) (3)			
		País Vasco	Cataluña
1. Opinión sobre las instituciones (5)	(4)	(Puntuación de 0 a 10)	
Gobierno central (6)	(4)	3,9	5,2
Gobierno autonómico (7)		5,0	6,3
Ayuntamientos (8)		5,5	4,9
		País Vasco	Cataluña
2. Hable catalán/suavemente (9)	(10)	%	%
Si, con soltura		23	67
A medias (11)		12	10
Muy poco, apenas (12)		14	9
Nada (13)		51	15
3. ¿Existe algún tipo de discriminación hacia los no nacidos aquí? (14)		%	%
Si (15)		28	36
No	(16)	68	61
No opina		4	3
4. ¿En cuál de estas cinco situaciones se incluiría usted? (17)		%	%
Me siento únicamente español (18)		8	12
Más español que vasco/catalán (19)		5	8
Tan español como vasco/catalán (20)		36	47
Más vasco/catalán que español (21)		25	24
Me siento únicamente vasco/catalán (22)		23	9
No opinan		3	1
5. ¿Cómo cree usted que son las relaciones de Euskadi/Cataluña con el resto de España? (23)		%	%
Muy buenas (24)		7	22
Regulares, tirando a buenas (25)		30	52
Regulares, tirando a malas (26)		40	19
Muy malas (27)		18	3
No opinan		6	4
6. Pensando en la estructura política que fuese más adecuada para Euskadi/Cataluña, ¿en cuál de estos salidas estaría usted más de acuerdo? (28) (29)		%	%
Un Estado sin autonomías (30)		5	8
La autonomía según el Estatuto (31)		54	58
La autonomía tendente a la independencia total (32)		18	19
Independencia total (32)		17	12
No opinan		6	4

NOTA: Para la encuesta sobre Cataluña véase CAMBIO16 números 697 y 698.

(33)

N.º 710/B-7-85

Key to Table 4:

1. Comparison Between Basque Country and Catalonia
2. Basque Country
3. Catalonia
4. Point grading from 0 to 10
5. Opinion of the institutions
6. Central government
7. Autonomous government
8. Town councils
9. Speak Catalan/Euskera
10. Yes, fluently
11. Somewhat
12. Very little, barely
13. Not at all
14. Is there any type of discrimination against those not born here?
15. Yes
16. No opinion
17. In which of these five situations would you include yourself?
18. I feel only Spanish
19. More Spanish than Basque-Catalonian
20. As Spanish as Basque-Catalonian
21. More Basque-Catalonian than Spanish
22. I feel only Basque-Catalonian
23. How do you view Euskadi/Catalonia's relations with the rest of Spain?
24. Very good
25. Fair, bordering on good
26. Fair, bordering on bad
27. Very bad
28. Considering the political structure that would be most suitable for Euskadi/Catalonia, with which of these solutions would you most agree?
29. A state without autonomies
30. Autonomy, based on the Statute
31. Autonomy, tending toward total independence
32. Total independence
33. Note: For the poll on Catalonia, see CAMBIO 16 Nos 697 and 698

Table 5:

Ardanza and Garaicoechea

Do you consider the relations at present between the central government and the present "lendakari", Jose A. Aranza, better, the same or worse than when Carlos Garaicoechea was "lendakari"?

	Total	Vizcaya	Alava	Guipuzcoa
Better now	37	42	38	30
The same	35	33	33	40
Worse now	16	15	15	19
Don't know	11	10	14	11

If you had to choose one of the two, Jose A. Ardanza or Carlos Garaicoechea, as "lendakari," which one would you retain?

	Total	Vizcaya	Alava	Guipuzcoa
Ardanza	23	25	23	19
Garaicoechea	35	35	27	39
Neither of the two	23	24	25	22
Undecided	19	17	25	21

Table 6:

Evaluation of the Political Leaders

	(%)	Know	Approve	Drop	Average(*)
Carlos Garaicoechea	98	70	23	5.6	
Jose A. Ardanza	96	61	27	5.1	
Juan M. Bandres	90	54	28	4.9	
Jon Idigoras	86	38	39	4.2	
Xavier Arzallus	87	35	41	3.7	
Txiki Benegas	95	38	51	3.6	
Ricardo G. Damborenea	78	23	46	2.8	

* Points from 1 to 10

Table 7:

Dangerous Differences

	Total	Basque Country %	Guipuzcoa %
Euskadi-Spain relations very bad	18		20
Economic situation worse than in rest of Spain	33		35
Citizens' security worse than in rest of Spain	44		41
Drug problem worse than in rest of Spain	75		81
Points given to central government	3.9		3.5
Present central government relations with "lendakari" worse than with Garaicoechea	16		19
Prefer Garaicoechea	35		39
Points for Jon Idigoras	4.2		4.6
Statute of Autonomy solution	77		76
KAS alternative solution	26		30
French Government cooperation solution	36		25
Pardon solution	70		71
Negotiation with ETA solution	63		62
Abandon armed struggle solution	76		67
In favor of independence	17		24
Feel only Basque	23		35
Speak Euskera fluently	23		45
Born in municipality of residence	51		62
Will vote for HB	14		20
ETA's existence still makes sense.	16		22

2909

CSO: 3548/150

POLITICAL

SPAIN

SPANIARDS UNINTERESTED IN NATIONAL DEFENSE OPPOSED TO NATO

Madrid TIEMPO in Spanish 3 Jun 85 pp 38-42

[Article by Juan Diez Nicolas: "Spaniards Have No Ideal Justifying a War"]

[Text] Three out of every four Spaniards think that there is no value or ideal to justify a war, but over half would be willing to defend our country from a possible foreign attack. These are the results of a special poll taken by OTR/TIEMPO on the occasion of Armed Forces Week.

National defense does not appear to be among the main concerns of the Spanish people who, although they do not at all identify themselves with the pacifist or antimilitarist groups, overwhelmingly repudiate any possibility of Spain's becoming involved in a military, much less nuclear, conflict.

It is incumbent on the government and Spanish society to draw conclusions from this fact, which is evident from a group of positions analyzed in the OTR/TIEMPO monthly polls from September 1984 to April 1985.

Rejection of War

In October 1984, those interviewed were asked to tell whether or not they were in agreement with the statement: "There is no value or ideal to justify a war." The result could not be more revealing, because 70 percent of Spaniards over 18 years of age expressed agreement, 20 percent disagreed and 10 percent were indifferent or did not answer the question. It might be thought that this firm, clearcut position against war resulted from the fact that the question was too general, and not concrete.

But, in February 1985, a more concrete situation was proposed. In fact, in the OTR/TIEMPO poll of that month, those interviewed were asked whether they agreed or disagreed with the following statement: "In the event that Morocco attempted to seize Ceuta and Melilla from Spain, Spain should respond, even with the force of arms." Well, only 28 percent agreed with that assertion, as opposed to 53 who disagreed and 19 percent who did not answer the question. As is evident, pacifism continued to prevail, even in the event of an attack by Morocco on both strongholds. The analysis showed that this position predominated among all sectors of the population, with the exception of those who themselves assumed an ideological position on the right, or who were voters from

AP [Popular Alliance]-PDP [Popular Democratic Party]-PL [Liberal Party], that appeared to be more predisposed toward defending Ceuta and Melilla, even with the force of arms.

Naturally, one might think that many Spaniards do not view very clearly the matter of embarking on a military conflict over Ceuta and Melilla, and would prefer other more peaceful methods for resolving that hypothetical conflict, but would react differently if the attack were made on their own national territory.

Hence, in the poll for April the attitudes of Spaniards toward our national defense were probed more deeply. For example, it was asked: "In the event that Spain were attacked militarily on its territory, do you think that the territory should be defended with the use of arms?" Well, 59 percent answered affirmatively, but 21 percent gave a categorically negative response, 12 percent said that it would "depend," and 8 percent did not answer the question. In other words, only something over half of the Spaniards of both sexes over age 18 think that Spain should defend its territory from a hypothetical attack with the use of arms; but, in addition, one out of every four Spaniards does not think that we should resort to arms, not even in that situation. Although the proportion thinking that Spain should defend itself with arms is always larger than the number of those who do not think so (except among the voters for "other" parties, who, as we know, are mainly from the non-parliamentary left), the groups most favoring Spain's defending itself with arms (in relative terms) are the ones who are unemployed, those who assume an ideological position in the left of center and the AP and PCE [Spanish Communist Party] voters. On the other hand, those who least favor responding with arms are the voters for "other" parties (already cited), those who claim that they will not vote, the CiU [United Convergence]-PNV [Basque Nationalist Party] voters and those who consider themselves more regionalist than Spanish.

Those who replied that Spain should defend itself with arms from a military attack on its territory were also asked: "If the situation were really serious, should all types of weapons be used, even nuclear ones, if necessary?" Only 15 percent of them (that is, less than 9 percent of the total sample) would be willing, in a case of extreme necessity, to use nuclear weapons to defend Spanish territory. Those favoring the use of nuclear weapons, also in case of necessity, are a small minority among all segments of the population; but they carry a relatively greater weight among the group assuming an ideological position right of center and among the PRD [Democratic Reformist Party] and AP-PDP-PL voters.

Finally, that same 59 percent who expressed approval of Spain's defending itself with arms from a military attack on its territory were asked: "Personally, would you be willing to take up arms to defend Spain?" A total of 50 percent of them (that is, 30 percent of the total sample) answered affirmatively, a proportion which is, of course, considerably lower among women.

The ones least willing to take up arms to defend Spain from a military attack are those who claim that they "will not vote (12 percent), women (17 percent),

those who feel more regionalist than Spanish (23 percent) and the voters for PRD and "other" parties (25 percent). On the other hand, the ones most willing to take up arms to defend Spain are the unemployed and those with a low occupational status (43 percent), men (42 percent), those with a high occupational status (40 percent) and the voters for AP (39 percent) and PCE (37 percent).

To summarize, about three out of every four Spaniards think that there is no value or ideal to justify a war; one out of every four thinks that Spain should defend Ceuta and Melilla with arms from a possible Moroccan attack; more than one out of every two thinks that Spain should defend itself with arms from a military attack on its territory; but only one out of every three would be willing to take up arms personally to do so; and less than one out of every 10 Spaniards would agree that Spain should defend itself with nuclear weapons, even in case of extreme necessity.

National Defense Is Not a Concern

In view of these data, it is no surprise that national defense is not considered by Spaniards to be a priority objective of governmental action. In fact, in the OTR/TIEMPO poll for April, it was asked what the most desirable objectives were for Spain in coming years. Of the nine objectives suggested, the one of "ensuring the national defense against possible foreign enemies" was mentioned by only 2 percent of the total sample, occupying last place after a "reduction in unemployment" (89 percent), a "more effective battle against drugs" (58 percent), the "eradication of terrorism" (39 percent), a "curb on price hikes" (35 percent), the "battle against crime" (32 percent), "progress toward a more just society" (19 percent), a "guarantee of human rights and civil liberties" (14 percent) and also the "beautification of cities and countryside" (5 percent).

Rejection for the Bases and NATO

Consistent with these positions is the obvious rejection by Spaniards for the military bases established on national territory for joint Spanish-American use. In the March poll it was asked: "As a result of the agreements between Spain and the United States, some military bases were established for joint use on Spanish territory. But, with Spain belonging to NATO, there are some very different opinions regarding the future of the bases. Among the following alternatives, which do you think Spain should select?" Of the four alternatives offered, the one chosen by nearly half of those interviewed was "to leave NATO and remove the bases" (46 percent), as opposed to "remain in NATO and remove the bases" (10 percent), "remain in NATO and keep the bases" (9 percent) and "leave NATO and keep the bases" (2 percent); however, 33 percent of those interviewed did not answer the question. Moreover, one can readily note that the rejection of the bases (56 percent) exceeded even the rejection of NATO (48 percent).

Insofar as the position of Spaniards toward NATO is concerned, the OTR/TIEMPO polls have included quite different questions virtually every month; which

warrants the assertion, with considerable assurance, that the government would, at the present time, lose in a referendum in which Spain's remaining in that alliance were asked. The data from the March and April polls leave no room for doubt: 69 percent of those interviewed in April want the referendum to be held (79 percent in March), as opposed to 10 percent who do not want it (6 percent in March); in April, 43 percent think that the referendum will be held (48 percent in March), compared with 20 percent (in both months) who think that it will not be held; in April, 48 percent would vote against NATO (52 percent in March), as opposed to 21 percent (24 percent in March) who would vote in favor. Although it is true that some of the opposition to NATO declined between March and April, the favorable opinion has increased less, or even not at all; and in any event the ratio is still 2 to 1 against NATO.

The Pacifism Is Not Militant

Despite the pacifist position inferred from the data previously examined, the Spaniards do not seem very willing to participate in organizations of a pacifist or similar nature. In fact, Spaniards are not inclined to participate in any type of organization. According to the April poll, only 6 percent of Spaniards over 18 years of age belong to any trade union; only 3 percent are members of some political party; and hence it is not surprising that only 1.5 percent belong to ecological associations, 1.4 percent to anti-NATO organizations, 1.3 percent to pacifist organizations and 0.8 percent to antinuclear organizations. Nevertheless, over 60 percent of those interviewed express approval of that type of organization, and less than 30 percent express disapproval of them. As might be expected, both the participation and the favorable position are most common among those under 30 years old and those who assume an ideological position on the left.

It is very important to stress that the pacifist positions that have been mentioned (rejection of war, lack of concern for defense, rejection of the American bases and rejection of NATO) by no means imply a rejection of the Armed Forces. Quite the contrary, for in the eight OTR/TIEMPO polls taken since September, it has been clearly shown that the Armed Forces are one of the social institutions best known, most valued and least controversial. Of the 37 social institutions and groups inquired about throughout the past 8 months, the Spanish Armed Forces are 10th in the total "ranking", far ahead of the government of the nation (in 19th place), the Cortes (in 20th) and the courts of justice (26th place). In the eight polls the Spanish Armed Forces have, without exception, received an average evaluation higher than that of the government.

Even when the question is about the military, their evaluation is quite good (5.3), because although it is lower than that of journalists (6.5), physicians, university professors and judges, it equals that of lawyers and is higher than that of diplomats, business owners and politicians (4).

But, furthermore, this high social assessment of the Spanish Armed Forces and the military does not mean that the Spaniards want "the military in power."

On the contrary, Spaniards think that the Spanish Armed Forces occupy fourth place insofar as the power that they have in Spanish society is concerned (after the banks, the government of the nation and the Cortes of Spain); and they think that they should have even less power, ranking seventh (after the government of the nation, the Cortes, the judicial branch, the trade unions, the press and the political parties, and only ahead of business owners, the banks and the Church).

In short, Spaniards seem to have very definite and not at all contradictory opinions regarding these issues. They are preeminently pacifists, and even overly unconcerned over national defense, but they have a very high regard for their Armed Forces (even exceeding that for the leading political institutions); which does not prevent them from wanting the power to remain with the traditional civil authorities, to which the Spanish Armed Forces must be subject.

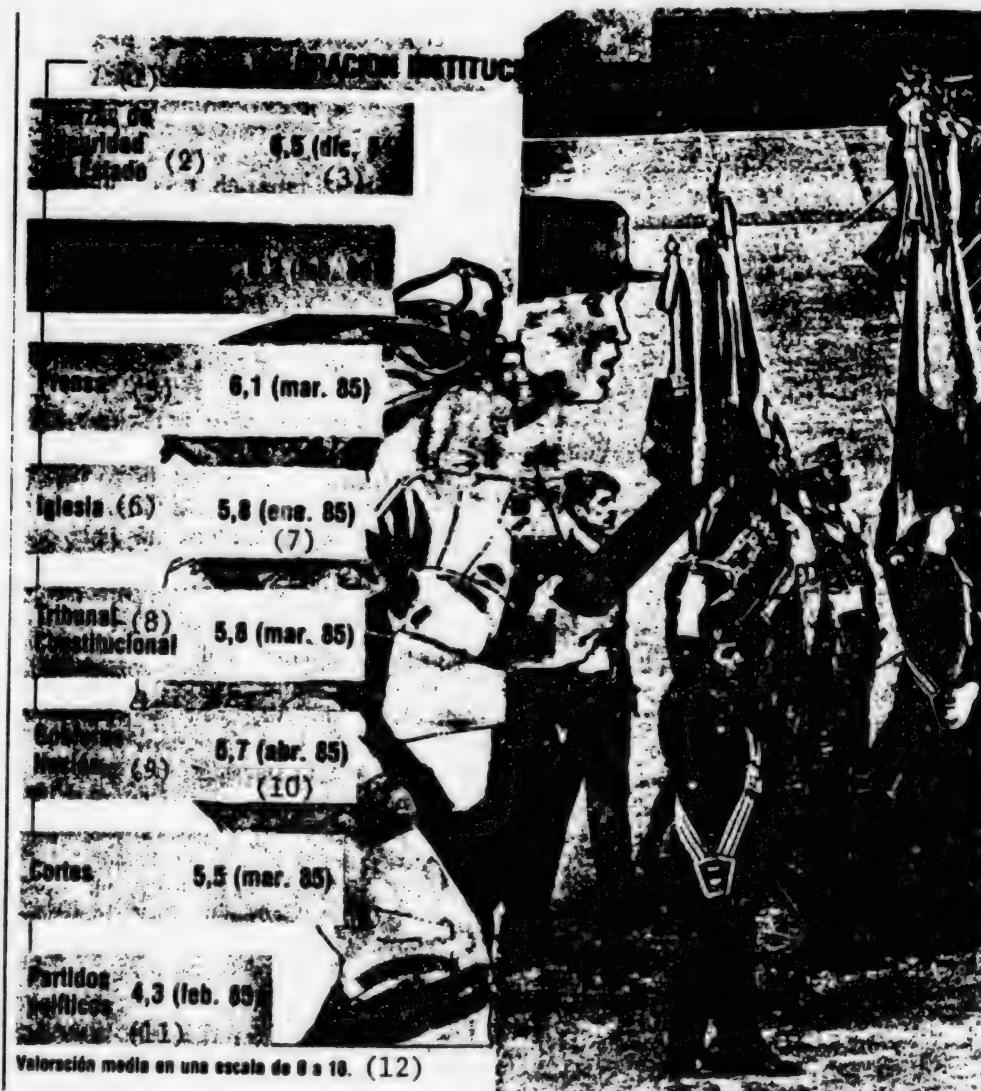
However, this is not the proportion that the government uses. The spokesman for the executive branch, Eduardo Sotillos, recently remarked that the latest data received by the government reveal a major increase in those favoring Spain's remaining in the Atlantic Alliance. According to this official account, the ratio is 1 to 1; while there is an increase in abstention, and the "don't know/no answer" group remains at about 35 percent.

Sotillos himself claimed that he had an absolute moral conviction that the referendum would be held and that the news that it would not take place would cause many difficulties in having the United States agree to dismantle some of the military bases that it has on Spanish territory.



Key to Table 1:

1. Attitudes Toward Defense
2. Agree
3. Disagree
4. Don't know/no answer
5. OTR/IS poll
6. There is no value or ideal to justify a war.
7. If Morocco should attempt to seize Ceuta and Melilla from Spain, it should respond, even with the force of arms.
8. If Spain were attacked militarily on its territory, it should defend the territory with the use of arms.
9. If the situation were really serious, all types of arms should be used, including nuclear, if necessary.
10. You would be willing to take up arms to defend Spain.
11. * Included here are those who answered that they did not agree, or did not know / did not answer the question about the supposed attack on Spanish territory.



Key to Table 2:

1. Institutional Evaluation
2. State Security Forces
3. Dec
4. Armed Forces
5. Press
6. Church
7. Jan
8. Constitutional Court
9. Government of the Nation
10. Apr
11. Political parties
12. Mean evaluation on a scale of 0 to 10.



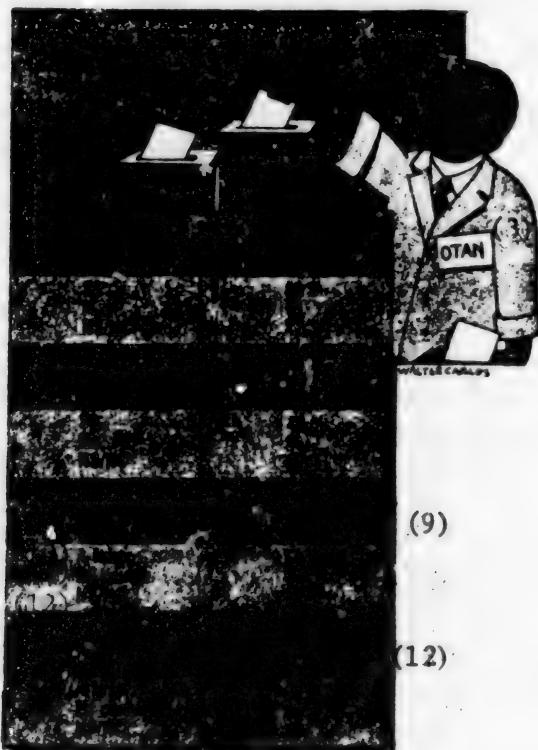
Key to Table 3:

1. Professional Classification
2. Notes: (a) Mean evaluation between the March and April polls.
 (b) Mean evaluation between the December and February polls.
 (c) Mean evaluation between the September and January polls.
 In all other instances it is the evaluation obtained in April.
3. Mean evaluation (scale of 0 to 10)
4. Journalists
5. Physicians (a)
6. University professors
7. Judges (b)
8. Military
9. Lawyers
10. Diplomats
11. Business owners (c)
12. Politicians



Key to Table 4:

1. Attitudes Toward NATO
2. March '85 poll
3. Agree
4. Disagree
5. Don't know/no answer
6. Spain should be in NATO.
7. Spain should not be in NATO because in the event of a world war it would have a better chance of remaining neutral.
8. Once it joins NATO it can no longer leave.
9. Spain should be in NATO to become integrated with the other European countries and have more protection.
10. So long as Spain does not join NATO fully, it will be unable to enter the Common Market.
11. If Spain does not enter the Common Market it should leave NATO.
12. The U.S. can put atomic weapons in the NATO member nations without their consent.



Key to Table 5:

1. NATO Referendum
2. April 1985 OTR/IS poll
3. NATO
4. Do you want the referendum to be held?
5. Yes
6. No
7. Don't know/no answer
8. Do you think that the referendum will be held?
9. How would you vote if it should be held?
10. In favor
11. Against
12. How would you vote if Felipe Gonzalez asked for a favorable vote?

2909

CSO: 3548/140

POLITICAL

SPAIN

EC NOT TO RENEGOTIATE ENTRY OF SPANISH AGRICULTURAL PRODUCTS

Madrid EL PAIS in Spanish 16 Jul 85 p 41

[Interview with Frans H.J.J. Andriessen, vice-president of the European Commission, by Andres Ortega; in Luxembourg, date and time not given]

[Text] Brussels--"I do not have the impression" that the conditions for Spain's entry into the European Economic Community (EEC) will be renegotiated in the economic area, said European Commission Vice-President Frans H.J.J. Andriessen in an interview with EL PAIS in Luxembourg. Andriessen has been in charge of agriculture and fishing matters since 6 January at the European Commission, which is the executive and administrative organ of the EEC. He has been a member of the commission since 1981, when he was responsible for jurisdictional policy.

Andriessen, a Dutch Christian Democratic Catholic 56 years of age, believes, however, that difficulties may arise in the enforcement of the complicated terms of the membership agreement.

A former finance minister in his country (1977 to 1979), Andriessen released in Luxembourg last Wednesday the EC's Green Book on prospects for reforming the common agricultural policy (PAC). The report primarily advocates a restrictive pricing system (instead of production quotas) to limit surpluses. In terms of the future, it states that the oils and fats sector will pose one of the greatest problems to the EEC after Spain and Portugal join, and that problems will arise with the United States as well.

[Question] The system for integrating Spain's agriculture sector with the EEC, as outlined in the membership agreements, appears to be very complicated. Will it be possible to administer this system, or will it be too complex to be fully applied?

[Answer] The system we negotiated reflects the complicated situation we face. The situation is complicated with respect to the goods produced on the Continent, with a strong dose of protectionism in Spain and pricing problems. We have problems with fruits and vegetables, and with oils. We have tried to find ways to carry out the integration as harmoniously as possible. We will be able to administer it, but it will require careful management. We must try

to avoid further complications, because it is already complicated. But that was the only way we could do it.

(Andriessen believes it will possible to complete the tremendous task of refining the technical aspects of the membership negotiations by 1 January 1986, although the agriculture portion will take somewhat longer, until 1 March.)

[Question] Which sectors of Spanish agriculture will pose more problems in the future for Spain and for the EEC?

[Answer] One very thorny problem will be the oils and fats sector. We have taken a very moderate approach to raising the various prices during the first years of membership. The change in the Community's system for fats and oils will lead to a more substantial approach. It will be a very difficult operation.

I am not saying that the Spaniards will cause great problems in this area, but rather that it is a sector that will be very difficult for the Community of the 12 to deal with.

Tax Proposal

[Question] Has the proposal to levy a tax on fats to subsidize olive oil been forgotten?

[Answer] It has not been forgotten; it is on the table. But the Council (of EEC ministers) is very reluctant to deal with it. The Commission has not withdrawn its proposal. When the new system is discussed, it will have to be taken into consideration. For the present, though, it is not very likely that a consensus will be reached in the Community to levy such a tax.

[Question] This issue, which is indirectly related to the stabilization of EEC imports of grain substitutes (such as soybeans) and grains, may end up causing a lot of problems with the United States in the General Agreement on Trade and Tariffs (GATT).

[Answer] The United States has reacted to this idea with much hostility. Clearly we will have to take into account the external effects of what we try to do internally with the fats sector. It will have an impact on GATT and on our bilateral relations.

[Question] What do you think will be Spain's attitude at the first meeting of agriculture ministers in 1986, which will convene for the purpose of establishing prices for the 1986-87 harvest? Do you think there will be a renegotiation, then or later, of the terms of membership?

[Answer] I hope that we have learned something from previous membership negotiations. We have negotiated long enough to find solutions. I do not think any attempt to renegotiate is necessarily possible. I do not have the impression that it will take place. The Spaniards are very good negotiators--

my congratulations--and they have played a very important role in the negotiations. Of course, they did not get everything they asked for, because it was necessary to compromise. As I have said, the result is complicated. Difficulties may arise in the practical application of the agreements, and we will have to find solutions. But I, personally, do not foresee a new negotiation. Of course, when the price negotiations begin for the 1986-87 agricultural season, there will be problems with Spain's inflation and price levels. Spain's special characteristics will have to be dealt with in those negotiations. That is a complication, but it does not mean renegotiation.

Green Book

[Question] Last Wednesday you released your--or the European Commission's--Green Book on the reform of the Common Agriculture Policy (PAC). To what extent did Spain's and Portugal's membership impose that reform?

[Answer] The problems we discussed in the Green Book (surpluses, relatively low world prices, problems of farmers' income, the need for other outlets or alternative uses of the land) were already there; they were not caused by these countries' entry. Clearly the Community's agriculture problem will be more heterogeneous after the expansion than before. The problems will intensify.

The problems were there, but now they must be approached within a new context. Unfortunately, we did not have enough information to take the implications of Spain's membership fully into account. We are going to conduct detailed studies of the impact of the two Iberian countries' membership on the PAC. For this reason, we have not been able to include these aspects completely in our Green Book.

[Question] The PAC for 1977, when Spain first requested membership, was quite different from the current PAC. Now there are quotas or quantitative production restrictions all over the place. Is Spain coming into a fat-cat PAC too late?

[Answer] If Spain had entered in 1977, the problems would not have been very different. On the contrary, for some products the decisions would have had to be made earlier. Take wine, for example. The final decision on a new system for wine--to eliminate table wine surpluses through obligatory distillation--came last February. If Spain had joined earlier, we would have had to confront the problem earlier. I do not think Spain is coming in too late.

[Question] The Green Book does not appear to favor the expansion of the production quota system in the PAC; rather, it appears to advocate a system of lower prices to reduce surpluses.

[Answer] That is right. We have quotas for sugar, milk, processed tomatoes. People think that when production quotas are established all problems are solved. That is not so. In the first place, for political or national reasons, we have never placed the quotas at the right level; they have always been too high. In the second place, people think that when there are quotas, prices can rise. But if the price of a product, even under a quota, is too high, there is not enough market for it.

POLITICAL

SPAIN

GUERRA SEEN VULNERABLE TO POLITICAL SPY SCANDAL

Madrid TIEMPO in Spanish 10 Jun 85 pp 8-12

[Article by Carlos Carnicero and Santiago Aroca: "Political Spy Crisis Tarnishes Guerra"]

[Text] Guerra and Barrionuevo could be called upon to testify over the next few days by Judge Vazquez Honrubia. The political spy scandal is threatening to tarnish Guerra, as AP [Popular Alliance] claims that it has evidence to topple him. In the Interior Ministry, Barrionuevo has ordered an investigation to uncover leaks.

For the first time in contemporary history, a judge, Jose Maria Vazquez Honrubia, the magistrate of Madrid Trial Court No 21, has appeared at a police facility to examine confidential Spanish Police documents.

On the late afternoon of 27 May, Judge Vazquez Honrubia decided, against the judgment of Prosecutor Carlos Ladron de Cegama, to visit the Interior Brigade facility on Leganitos Street in Madrid to personally examine the contents of the police documents. There, in the presence of Rafael del Rio, director general of police, and commissioners Martinez Torres and Alberto Elias, the judge perused six thick files containing information on Popular Alliance (AP). Information briefs, political assessments, reports from provinces sent in by the Regional Information Brigades, and Popular Alliance pamphlets, numbered and with seals of the Interior Brigade or other sections of the General Headquarters of Information, constituted documentary evidence that, in the opinion of Judge Vazquez Honrubia, "is basic to the investigation, because until now we have had only oral evidence."

In the view of Jose Maria Ruiz Gallardon, the Popular Coalition deputy who represents the party in the suit it has filed, this evidence substantiates that his party was being spied on. As he remarked sharply at a full session of Congress, "if this is not espionage, then God be my witness." His attempt to create an investigative committee, which was supported by all of the minority parties in Congress, was defeated by the Socialist bloc.

In the opinion of Ruiz Gallardon, the evidence submitted to the Congress of Deputies and now in the possession of Judge Vazquez Honrubia is more than enough to demand political accountability, aside from any criminal liability that the courts determine.

"The seizure of authentic, corroborating documents that irrefutably prove the existence of espionage would have prompted a government crisis in any civilized country," Deputy Ruiz Gallardon has stated. As far as the representative of the Popular Group is concerned, the political accountability is independent of any criminal liability and by no means ends with the refusal of the PSOE [Spanish Socialist Workers Party] to set up a congressional investigative committee. "We have to wait until the 30-day period arising from the declaration of confidentiality is over to familiarize ourselves with the inquest and make our next move in the case. To us it is obvious that police officials have engaged in spying. Above and beyond this, however, the administration must be held politically accountable. Mr Guerra has provided obvious evidence that he was familiar with confidential internal Popular Alliance documents, and this demands an explanation."

The court is wondering what methods were used to compile the confiscated information. Police, administration and PSOE officials are doing their best to downplay the significance of the files, calling them "press clippings" in a tone that is not exactly one of praise for the mass media. Yet there is reasonable evidence, which the courts are in no way ignoring, that the police obtained some of the reports through wiretapping. Justice circles consulted by this magazine are not ruling out that the intelligence services might have bugged the phones of political leaders without the required court order, as indicated in a brief about the CESID [Superior Center of Defense Information] that is in Judge Vazquez Honrubia's possession. Some of the policemen implicated in the political spy scandal have gone even further, mentioning "clandestine searches of party headquarters."

Most opposition political leaders have come out in Parliament against the police practice of drafting reports on legal political parties, regardless of the methods employed, be they "press clippings," reports from informers who have infiltrated party machinery, or clearly illegal tactics such as telephone bugs or break-ins. They are all demanding some sort of political accountability for a practice that they regard as an anomaly in a democracy. "It is regrettable and disgraceful," Deputy Ruiz Gallardon has told this magazine, "that while most policemen are knocking themselves out to defend the interests of the citizenry and many are losing their lives in the Basque Country, others are spying on us, as if the problems of terrorism and personal safety did not exist."

Aside from the political accountability that representatives of the two parties that have filed suit (AP and the Spanish Communist Party) are demanding, an effort is also being made to see if the police has been obtaining information illegally about their parties. Jose Maria Ruiz Gallardon has stated that he intends to request "a complete list of the

telephone taps authorized over the past year." He bases his suspicions about such tapping on a thorough analysis of the documents that Judge Vazquez Honrubia found in the possession of the police. Some of the briefs drafted by agents from the second group of the Interior Brigade are, in the opinion of experts, hard to explain except as the result of bugs placed directly on the telephones of the people involved.

Sources close to the Interior Brigade have corroborated that it and the General Headquarters of Information regularly tap phones.

It has escaped no one that opposition leader Manuel Fraga accepted Barrionuevo's word of honor during the initial parliamentary debate on the political spying and that he was trying not to hold the interior minister directly and personally responsible in the matter. In unrehearsed comments, Socialist Deputy Leopoldo Torres himself publicly voiced the view that the minister's strategy seemed to be to divert responsibility to the upper echelon of the administration. The leaders of Popular Alliance have never concealed their intention of going over Jose Barrionuevo's head and leveling their attacks at the deputy prime minister, Alfonso Guerra. Speaking in Barcelona, the president of Popular Alliance, Manuel Fraga, held nothing back in his comments on the role that Alfonso Guerra may have played in the affair: "He has a lot of explaining to do; he should be kept in mind. I think that Barrionuevo could have controlled his department if he had been allowed to, but he was interfered with."

During the two parliamentary debates requested by Popular Alliance and the Communist bloc in the Congress of Deputies on the political spy scandal, the Socialist bloc has not been all that pleased with the role that the administration has played through Interior Minister Jose Barrionuevo and Socialist spokesman Saenz Cosculluela. "Any change in the government is constitutionally the exclusive province of the prime minister," a Socialist who is an expert in Interior Ministry matters told this magazine. In private, prominent Socialist leaders have not concealed their uneasiness over the problems that the controversial interior minister has been causing and that threaten to directly tarnish the deputy prime minister. Most of the Socialist politicians consulted, who declined to make statements, feel that Barrionuevo will not be replaced, if only because the prime minister does not wish to trigger a government crisis and must back the antiterrorist policy that is being seriously challenged by the offensive of ETA-military [military wing of Basque Fatherland and Freedom].

"What really worries the prime minister," sources close to the Moncloa have told this publication, "is the decline in police morale that the Interior Ministry controversy could cause. Moreover, right now almost all of the personnel in the counterterrorist struggle are on trial or immersed in legal proceedings. Just think, in a violent place like the Basque Country, with lineups in which policemen come face to face with alleged terrorists or their accomplices."

Barriónuevo's Investigations

"General Manglano is very clever. He's proving it." This terse remark was the only answer that this magazine received from an Interior Ministry official when it asked him whether the CESID might have something to do with certain leaks to the mass media. The administration's spokesman, Eduardo Sotillos, stated a few days ago that "certain documents that have been sold to the media are false," adding that "at this moment an investigation is under way to find out who is forging the documents."

Interior Minister Jose Barriónuevo has ordered a thorough internal investigation to ascertain the origin of these potential leaks. We should remember, however, that rumors about the spying had been around for months and were lent substance only when the director of State Security, Julian Sancristobal, and police commissioner Alberto Elias admitted to an extent that such practices were customary in the Interior Brigade.

In the wake of their faux pas, which exasperated ranking Interior Ministry officials, among them Rafael Vera, the undersecretary of the department, there has been no lack of anonymous tips to clear up the affair.

All of the sources consulted by this magazine agree that conclusive evidence is going to be hard to come by in determining who is "blowing the whistle" to tarnish the image of the police and the Interior Ministry in connection with political spying, which in private almost no one denies exists. They all agree as well, though, that given the disarray in the Interior Ministry and the police, anyone might have an interest in sullying the image of the police's intelligence services and in helping to make Jose Barriónuevo look bad.

"Barriónuevo has opened up too many fronts to handle," says a major official in the Interior Ministry. "There is discord among all the top officials in Interior. Saenz de Santamaría, the director general of the Civil Guard, does not hide his profound differences with Sancristobal and the minister himself. Everyone, absolutely everyone wants Julio Fernandez removed as Barriónuevo's spokesman and adviser. Rafael Vera has crossed swords with Sancristobal, and relations between the Civil Guard and the police, as always, could not be worse. On top of this, the police unions can't see the minister; the counterterrorist chiefs have seen how the French are annoyed with the GAL [Anti-Terrorist Liberation Groups] business, and after the most recent visit by the French interior minister, relations with French police authorities have soured noticeably. It's your guess who has it in for Barriónuevo."

Sources in the Interior Brigade itself were admitting that it was possible that the CESID was involved in leaking certain information about the brigade's methods to the press. In any event, the acknowledgement of this possibility exonerates no one and does not deny that such methods have been used; it merely indicates the source of the reports about them.

"It is by no means out of the question that the Civil Guard and the CESID are behind all this. And in case there were any doubts about the ineffectiveness and irresponsibility of the civilian intelligence services under the Interior Ministry," the same sources said, "the political spying scandal has demonstrated conclusively that the department is unreliable and has no future. This merely reaffirms the CESID as the only valid alternative, along with the Civil Guard, for the intelligence services."

The fact is that the crisis in the Interior Ministry can apparently not be resolved easily without the resignation or removal of its head, which sources in the PSOE leadership have not ruled out. No one wants a position of responsibility in the ministry under the current team there. There are no obvious replacements in the police. The Interior Ministry has not been making short-term plans for some time now. It would seem as if it is every man for himself, and the rifts and squabbles between top officials are more visible than ever. Not certain of remaining in their posts, they are waiting for summer to come and save them. They are convinced that if there is going to be a crisis, it is going to be before summer. They admit that it is a lonely feeling to be forsaken by everyone, even the party, the only exception being the prime minister. No one would go so far as to say that Alfonso Guerra is willing to put up with a scandal that threatens to drag him through the mud. The key is whether Felipe Gonzalez is determined not to provoke a government crisis under any circumstances, even at the cost of an Interior Ministry that is paralyzed by scandals and intrigue.

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POLITICAL

SWEDEN

PAPER VIEWS NONSOCIALISTS' SEARCH FOR CAMPAIGN ISSUES

Stockholm SVENSKA DAGBLADET in Swedish 19 Jul 85 p 2

[Editorial]

[Text] Almedal week began on Saturday, and with it the year's election campaign started for real. The party leaders will give their views as to what the election actually involves.

Many things indicate that Bengt Westerberg will there with initiate an election campaign which essentially involves short-term politics

Short-range political freedom of action is limited for many different reasons. The politicians risk deceiving themselves as well as the voters if they, to too great a degree, put the emphasis on that which is current when they go to the polls.

Expectations concerning the short-term results of their policies become too great. And horror stories about the immediate results of their opponents' policies are exaggerated.

Now as earlier it is the Social Democrats primarily who are putting the election debate in short-range perspective.

The Social Democrats refuse to even hint where thier policies will lead the country in the long run. With the entire propaganda capacity of the whole movement, they are instead beating the drums that the system-changing policies of the non-labor parties, above all the Moderates, will take place immediately. Housing subsidies, health insurance and other basic features of the Social Democratic welfare state would be largely eliminated the day after Adelsohn and his cabinet colleagues take office.

With its purposefulness and strong voice the Social Democrats are gaining the initiative in the debate. They are driving wedges between the non-labor parties. And these parties are themselves beginning to discuss their long-range policies as if they were alternatives which could be carried out directly. The Liberal Party is putting distance between

itself and the demand of the Moderates for a lowering of taxes. And the Center Party is growling. The Center movement can not accept Swedish security being dismantled.

The non-labor parties have themselves to blame to a degree. They have not in their own policies, and to themselves, made adequately clear that there is a short-term, primarily business cycle perspective, and a long-range structural perspective.

One example shows that it is so and that he must be so.

The Liberal Party's key proposal in its labor market policy is that unemployment insurance shall be reduced. If wages become so high that unemployment increases, trade union members will feel the impact through higher charges, either directly or via the trade union organizations; increased unemployment will bring higher insurance premiums.

There is a lot to be said for the Liberal Party's proposal. But first it must be investigated, then circulated for consideration by the bodies concerned and finally formulated in a proposition. The proposal will consequently not lead to any important changes in labor market policies during the following parliamentary term.

The fact that a number of the non-labor parties' proposals will take effect only in the long-run does not at all reduce their significance. But it leads to two conclusions.

First of all, a possible non-labor government will be forced to follow a short-range policy to cope with changes in the business cycle and the immediate impact of the economic crisis.

Secondly, this short-range policy should not be confused with long-range policy. The long-range perspective should not be lost. To make the whole thing plain. A non-labor government could be forced under certain circumstances to propose an increase in the value-added tax this fall. Looked at superficially, this conflicts with a necessary, long-range decrease in taxes. But basically there is no conflict. A short-range, crisis measure does not necessarily say anything as to how the long-range structural policies will look. But this presupposes that the policy will not be allowed to become merely a function, or sum of the policy which is being carried out on a short-term basis because of economic necessity. It is a vital political necessity, among other things for this reason, that the non-labor parties differentiate between short-range and long-range policies. In connection with the valued-added tax, the vital thing is that the increased valued-added tax does not imply that a new and permanent higher tax level is established.

If a clear distinction is made between short and long range, the prospects for non-labor cooperation look wholly different from the picture which the Social Democrats above all have created. In the short-run perspective, Liberals as well as Center Party people oppose the demand of the Moderates

for a 40 percent marginal tax usual income levels. But the reservations involve in practice more the forms and the pace in implementing it than the proposal in itself. Bengt Westerberg and Thorbjorn Falldin naturally do not think that people should encounter a marginal impact of 60-70 percent (a marginal impact of at least that size occurs with a 50 percent marginal tax if thereto is added the impact of payroll taxes and the decrease in subsidies of different kinds). That is not the ideal society.

It is possible that some voters in the border country between the blocs is tempted by Kjell-Olof Feldt's short-range policies. But truly there are many who want Olof Palme's policies for the long haul.

6893
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POLITICAL

SWEDEN

POLL FINDS VOTERS THINK SDP WOULD HANDLE JOB ISSUES BEST

Stockholm SVENSKA DAGBLADET in Swedish 20 Jul 85 p 6

[Article by Sophie Ptezell]

[Text] Almost half of the voters think that a Social Democratic government would handle the employment question better than a non-labor government.

It is almost even in regard to government finances, but nevertheless to the advantage of the Socialists. A majority, however, believes in the ability of a non-labor government to put the tax system in order.

Forty-seven percent of the voters believe that a Social Democratic government would handle the employment question best. Twenty-nine percent believe that a non-labor government would be better in this regard. Every fourth voter is unsure.

The Swedish Institute for Public Opinion Research (SIFO) addressed, on behalf of SVENSKA DAGBLADET three questions to a little over 1,000 people: which government (non-labor or Social Democratic) is more suited to handle the employment question, to handle government finances and to create a better tax system?

The inquiry was made in the beginning of July.

Even if 47 percent of the voters today believe that a Social Democratic government would solve the employment question better, this is a decline for the Social Democrats. At this stage in 1982 before the election, 58 percent believed in the Social Democrats. At that time the figure for the non-labor parties was 20 percent.

Since 1968 SIFO has asked the voters a few months before each election which government they considered best suited to insure employment in the country. In 1968 at Tage Erlander's last election campaign, confidence in the capacity of the Social Democrats regarding employment was just as high as now. Then the figures fell and reached the bottom in 1973 when only one-third of the voters believed in the ability of the Social Democrats and 40 percent in the non-labor parties.

Best At the Last Election

The Social Democrats achieved their best figure at the last election when 50 percent had confidence in the employment policies of the Social Democrats and only 20 percent in non-labor's.

The distance between the groups is thus now diminishing.

Within Social Democratic ranks confidence in their own employment policies is overwhelming. Only 3 percent of the Socialist voters believe that a non-labor government would do the job better.

Among the non-labor voters confidence is less. Twelve percent believe that a Socialist government would be better in this field.

The Tax System

The situation is reversed in regard to the tax system. To the question, "what government do you think is best suited to create a good tax system?", 39 percent say a non-labor government and 34 percent a Social Democratic. Seventy-four percent of the non-labor sympathizers believe that the government they will vote for will be successful in the tax question. Only 65 percent of the Social Democratic voters believe that a Social Democratic government will be successful in this matter. Twenty-five percent of them don't know who will solve the tax question better.

The Moderates Most Enthusiastic

It is apparent that the most enthusiastic voters are in the ranks of the Moderates. SIFO's investigation last Sunday showed that belief in a non-labor victory is stronger among Moderate sympathizers than among Liberal and Center Party people.

In regard to the question of the tax system, 78 percent of those who regard the Moderates as the best party believe that a non-labor government will solve the tax matter better. Only 61 percent of the Liberals and 66 percent of the Center sympathizers believe this. They are to a large degree wavering--almost one-third answer, "don't know."

Government Finances

The pattern is just as distinct in regard to the question of government finances.

Thirty-five percent of all believe that a non-labor government would do better in getting government finances in order, and 39 percent a Social Democratic. Twenty-six percent are not sure.

Seventy-seven percent of the Socialist sympathizers believe in their own ability in this regard, and 70 percent of the non-labor people believe in the ability of a non-labor government to manage finances. But it is

the Moderate sympathizers who bring up the figures. Seventy-four percent of Moderate voters believe that finances would be better with a non-labor government, but only 59 percent of the Liberal and 62 percent of the Center Party voters.

Uncertainty for the Small Parties

SIFO warns against any far-reaching conclusions in this regard. From a sample of about 1,000 potential voters the smaller parties such as the Liberals and the Center Party have only about 100 supporters.

Uncertainty is great among the voters who do not have any favorite party. Almost 60 percent of them answer "don't know" to the three questions. Twenty-seven percent of them believed that a Social-Democratic government would be better in regard to employment, but over 20 percent believed that a non-labor government would be better in regard to finances and taxes.

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POLITICAL

SWEDEN

PAPER EXAMINES VPK ELECTION PLATFORM, WERNER'S SPEECH

Stockholm SVENSKA DAGBLADET in Swedish 24 Jul 85 p 2

[Editorial]

[Text] The Left Party Communists (VPK) leader, Lars Werner, spoke at Almedalen, like many previous times, about the labor movement, of which he thinks his own communist party--there are several--is a part. It is a claim which surely arouse strong and justified feelings among many Social Democratic Party members and voters.

For many years ever since the Communists in conjunction with the communist coup d'etat which followed the revolution in Russia broke away from the Social Democratic Party, the Social Democrats have in an unequivocal and forceful manner opposed the Communists in Sweden and kept a clear boundary line between themselves and the Communist Party.

That is no longer so. Now even AFTONBLADET talks about "the labor movement's two political parties." The Left Party Communists have obtained places on parliamentary committees, and the Social Democrats in parliament conduct regular negotiations with Lars Werner's party.

At times the Left Party Communists' demands are no more revolutionary than VPK's wanting a longer amorterization period in connection with the purchase of a car, and this is a demand which could be supported even on the basis on non-labor judgements. But that is not the important thing. The important thing is that the Social Democrats are more and more dealing with the VPK as an ordinary party.

The VPK is not an ordinary party. The VPK is a Communist party. The Communists want to introduce communism into Sweden and in the whole world. That statement might perhaps seem provocative and would perhaps be characterized by Olof Palme as new brutalism and anti-communism.

But who denies that the Communists want to introduce communism?

Lars Werner has said that it would be impudent for him to express any views as to how the communist states in Eastern Europe will be democratized? That is an answer typical of the new, evasive hazy

communism, for which Lars Werner speaks. No nuclear power, no valued-added tax on food, and don't say a word about Eastern Europe. That is Lars Werner's simple, embarrassing message.

And no one is particularly afraid of Lars Werner. Even if the Social Democrats stop attacking him, it is not likely that he will become a danger to Swedish society.

The problem is on another level. It involves intellectual and political integrity. Werner should not be allowed to get away with saying it would be impudent for him to have views as to how the countries in Eastern Europe will be democratized. It is not at all impudent to demand this of him. Who would better know than a communist leader how to make a communist country democratic?

And surely one can demand that a person who is the spokesman for communism and who claims that it would not be as in Eastern Europe should be able to expand in greater detail on the problem of democracy and its prospects in a communist country.

It is not impudent to demand this of Lars Werner.

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MILITARY

DENMARK/GREENLAND

THULE RESIDENTS SEE WAY OF LIFE THREATENED AS BASE EXPANDS

Vienna DIE PRESSE in German 19 Jul 85 p 3

[Article by Hannes Gamillscheg: "Nostalgia for Paradise Lost"]

[Text] Copenhagen—Five year-old Ussarqaq Qujaukitsoq and his brother Ole were sitting on one of the heavily laden dogsleds that make their long way north. Why they had to leave their home, the two young boys did not know. They had only heard that it was because of the Americans and because of the foxes which could no longer be hunted and that they were now about to get a new home 180 kilometers farther north. 32 years later, the two Qujaukitsoq brothers—one of them now a member of the autonomous Greenland parliament and the other mayor of Qaanaaq—had come to the Greenland ministry in Copenhagen and were asking to be told why these events of the past took place when the Polar Eskimos were "strategically displaced," as Greenland's poet-politician Arqaluk Lynge has put it.

The usual description of the forcible resettlement of the 116 Inuit (Eskimos) from the old commercial and hunting outpost of Thule to Qaanaaq, 180 kilometers away, tends to appear in a rosy light—almost as if it had been something of a good deed. The military base which the United States had established in Thule at the time, had destroyed the Eskimo hunting grounds. The Polar foxes, their primary source of income, had disappeared; seals and walrus had also begun to avoid the Thule area.

The Danish authorities which administered the then colony of Greenland felt, as Minister of Greenland Affairs Tom Hoyem now puts it, that the local population should be "protected against contact with the 10,000 American soldiers." "In the first instance, we were of course thinking of the women and of sexual relations," Hoyem explains. "Generally speaking, the culture gap was insurmountable." Under the circumstances—so schoolchildren in Greenland are still taught today—Denmark complied with the wishes of the 27 families in Thule and offered them new hunting grounds and new houses 180 kilometers to the north at Qaanaaq.

The word "houses" may be a bit exaggerated. These were, in fact, huts, 13 to 24 square meters in area which had to accomodate the families which averaged four to five in size. The U.S. defense department spent \$100,000 on the operation, an infinitesimally small amount compared to the cost of building the Thule base.

Danes Cold-Shouldered Eskimos Too

For the size of the wild animal population at the northern tip of Greenland the appearance of several dozen new hunters was not a good thing; but when the Eskimos asked to be compensated for the loss of their former hunting grounds in the fifties, the Danish government turned a deaf ear to their requests. Instead, the Danish administration suggested to the Americans that they invite the Eskimos as a good will gesture to a guided tour-cum-coffee hour at the base. No self-criticism came up with regard to the forced resettlement operation. This was the time when Denmark devised administrative solutions for huge and alien Greenland with a great deal of enthusiasm and an equally great lack of understanding. Some of the methods used were to uproot entire villages and to resettle the inhabitants in locations that were deemed more practical and economical.

Jens Brosted and Mads Fogteborg, two Eskimologists, now believe they can prove on the basis of official records and documents that the 1953 resettlement operation was not a good deed by any means. They are convinced that the Thule operation violated the rights of an indigenous population because a big power wanted it that way and because the responsible authorities were "excessively compliant." The United States wished to protect the base at Thule against air attack by setting up a missile battery there. The missiles would be deployed on the spot where the Inuit houses then stood. Thus, the Inuit had to go. Brosted and Fogteborg say that the forced resettlement and the destruction of valuable hunting grounds are tantamount to expropriation and that Thule's onetime inhabitants are entitled to compensation.

Municipal director Jorn Borsing says that the inhabitants of Qaanaaq are not simply looking for money in asking for a review of the circumstances surrounding the loss of their old homes. A new generation—the children of those who were resettled back then—wants to find out what happened to its parents. "One section of the country has been robbed of a part of its history," Eskimologist Jens Brosted says. "The people were lied to regarding the true circumstances of their expulsion." Prior to reviewing all the records, the hunters and trappers of Qaanaaq do not wish to comment on the amount they believe they are entitled to. Minister of Greenland Affairs Tom Hoyem doubts that any legal basis for claims still exists 32 years after the resettlement operation; but he has promised a thorough investigation of the matter.

Radar Antennas Have Replaced Walrus

But if there were any payments, the minister says, Denmark would have to make them—and not the United States. Hoyem calls Thule Air Base a "bonanza for the entire Western world." The installation was built during the Korean War as a base for American bombers; but today, staffed by about 1,000 men, it is a link in the radar chain designed to protect the American continent against a strategic missile attack. It is of primary importance for the protection of Greenland, Denmark and the West as a whole, Hoyem says, and should therefore not be turned into the object of a picayune dispute over a handful of dollars.

While Greenland's northernmost settlers are asking for compensation for past injustice, the American defense department is drawing up plans for a thoroughgoing modernization of the Thule base. In preparing for a missile defense system in space, the plans are to have Thule act the part of a missile guidance center. "Every additional expansion of the installation destroys our hunting opportunities in northern Greenland," says Sivso Suersaq, chairman of the Siumut government party in Qaanaaq. But this time they are not just worried about polar fox and walrus. "The first atomic bomb is likely to drop on Thule," says poet-politician Arqaluk Lynge, "and that would be the end of the Polar Eskimos."

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MILITARY

FEDERAL REPUBLIC OF GERMANY

BONN SCORED FOR NOT RECOGNIZING DIMENSION OF SOVIET THREAT

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 27 Jul 85 p 1

[Commentary by Robert Held: "Too Much Is Kept Quiet"]

[Text] An extremely well made but tendentious reportage on television recently made it plain how hard it is getting to be to govern this country. The more technical the issues get, the greater are the possibilities to present them in a one-sided way and to mobilize public opinion against government decisions based on complicated considerations. In this particular case, the issue was the conventional defense of Central Europe. The report showed that there is an American academy devoted to instruction on how to carry out Blitzkrieg operations right in the heart of the Palatinate. The superb air-land battle concept, which is being played out there in sand table and computer games, was described (not for the first time) as a Blitzkrieg concept and the German government was portrayed in a dim light for permitting this to go on.

We think it is about time to issue a warning: if the German government does not succeed soon in doing a better job of convincing the people, i.e. the electorate which voted it into office and is supposed to re-elect it, of the need for appropriate defense, then it will become difficult to carry on any sort of foreign policy. The first man who almost ran afoul of this problem was Helmut Schmidt who certainly was not particularly partial to the idea of resolutely confronting the Soviet Union. But when he realized that a response to the Soviet Union's SS-20 threat was in order and pushed that response through in NATO, his own party left him high and dry and it was only with the help of some deceptive maneuvering that he obtained the party's grudging consent at its December 1979 congress.

Although the Kohl government has managed to survive the controversies on this issue thus far, the prospects of its surviving the ones to come are not good. In retrospect, the main difficulty is easy to make out. Any people which has received a sound thrashing from history would just as soon drop out and unabashedly enjoy the good life. That is a well-known fact of our democratic German way of life but it is only the first half of what we meant to point out. The second, far more serious, half is that

all of our government leaders have thus far been loath to inform the people of the real nature of the Soviet threat and to confront it with the real facts of life.

Perhaps they are afraid that the people would view the portrayal of this multitude of martial detail as an imminent threat of war, i.e. that this whole business would be too much for people's nerves; that people would not be tough enough to think seriously about defense and would give preference, even in the midst of peacetime, to those espousing a "better Red than dead" policy.

But that is exactly what the Soviet Union, which has as little interest in a world war as the West, really wants, i.e. to gain massive influence. Even if the threat of nuclear weapons no longer existed, they would try to apply the kind of pressure with the help of conventional weapons which would make the adversary give in without a fight in times of crisis. This political aspect of Soviet strategy is never pointed out clearly enough. Many people simply do not care to see how much hidden submissiveness is creeping in. If the Germans in our republic are asked: "The Soviets are taking satellite photographs of our territory day in and day out. What would you say if we took photographs of Soviet territory day in and day out?" twice as many respondents are against it as for it. The idea that we simply cannot do such a thing to the Soviets has long since taken hold. Aside from the legal gaps in our sovereignty, there also are gaps of feeling. In those instances where we ought to be as sovereign as we want to be, we shrink back in the face of Soviet pressure. It is a moot point whether this is due to a realization of a historical inheritance or a submission to increasing subjugation.

The fundamental lack of honesty in German political life then results in such television programs creating an atmosphere in which it is even more difficult to reach decisions. What is going on here? No one denies the fact that the Soviets have increasingly switched to providing their armed forces with the capability for lightning attacks over the past few years both in terms of their deployment and their organizational structure. Large combined units—referred to by NATO as operational maneuver groups—are said to be capable of launching an attack virtually from a standing position. The West would have only a few hours' time to detect it. There is not a single expert who doubts that these units, with their massed artillery, tanks and helicopter brigades, would be in a position to make surprising initial gains. In that sense then, the air-land battle concept is not a willful Blitzkrieg strategy for an attack on the East Bloc but a plan providing for a lightning response by large-scale units to a lightning attack, a training program for quick reaction. The ideas contained in the Rogers plan as well as the newly published second study by the ASROC group also deal with this problem, i.e. how to meet this threat; what kind of technology is required and what the cost would be. This is not a matter of waging war but of assessing the pressure with which one is confronted. But no government leader is any too happy about mentioning the facts that would have to be mentioned and the majority of the commentators would rather ignore such repulsive arguments.

MILITARY

FEDERAL REPUBLIC OF GERMANY

NEW ROLE, ORGANIZATION FOR ANTITANK HELICOPTERS PROPOSED

Independent Helicopter Operations Examined

Herford KAMPFTRUPPEN KAMPFUNTERSTUETZUNGSTRUPPEN in German Jun 85 pp 115-122

[Article by Wolfgang Prskawetz: "Thoughts on Independent PAH Operations"]

[Text] Note

In general in this article the concept of the "PAH operation which can also be carried out independently in crisis situations" is used. However, thought is being given to replacing this idea by: "the total mission of the PAH regiment." This evolutionary process has, however, not yet run its course; and for this reason the terminology used in present regulations has been used here.

Introduction

Now that army aviation after years of intensive integration effort can assert that the PAH-1 weapon system is established and that the operational procedures are instilled in the combat crews, the time has now come to increasingly argue the case for operational possibilities which heretofore have not been at the center of interest. A concept which clearly belongs in this class is the quasi independent PAH operation.

The following deals with the practical accomplishment of this independent PAH operation.

The author presents a number of thoughts which should be viewed as neither the only nor the complete solution but rather as intellectual prodding to initiate the discussion.

Basic Considerations on the "Independent" PAH Mission, the "new" Role of the PAH

The previous "shadow existence" of the independent PAH mission may be due, among other things, to inherent difficulties associated with this mission. These relate to the fact that the mission is born of crisis and thus extreme situations.

In addition, this application is to be viewed against the background of simply a changing assessment of the role and tasks of the combat helicopter on the battle-field. One ascribes more capabilities and strengths to this modern weapon system than are actually there:

- maximum flexibility and mobility and
- fastest potential for deploying concentrated antiarmor defenses

The overall objective of the PAH in this regard has to be to do the one without neglecting the other. That is, to unburden the combat forces in the case of stable defence; but on the other hand, the PAH also have to be in the position to quickly and effectively stabilize the situation in the case of developing crises at all corps combat patrol focal points, especially when coordination with ground combat forces is lacking, but only long enough to reestablish an effectively functioning defense.

In this connection, Army Regulation 370/100 states: "They (the PAH) work in general with them (the combat forces), but can in crisis situations also conduct anti-armor operations independently."

These and other regulations form the background for a mission concept for which practical guide lines must be developed.

Definition: The "Independent PAH Operation"

Since in the conventional PAH mission (functioning delay or stable defense) critical importance is attached to the joint operational planning with the brigade to be supported and to communications, usually via radio, with the corresponding battalion, and the PAH is thus an extension of the embattled ground combat forces, the criterion for the independent PAH mission is that still insignificant elements of the combat forces are available or that the ground forces are no longer capable of executing the planned operation. Then, the independent PAH mission can be defined as: "application of PAH in a crisis situation in which cohesive conduct of battle by the combat troops is no longer assured."

Tactical Prerequisites for an Independent PAH Operation: Penetration/Breakthrough

Crisis situations in the form of deep penetrations or breakthroughs at brigade positions have to be repaired by the division in its own sector first by commitment of all forces and reserves, including help from PAH. The independent PAH mission comes into consideration only when enemy pressure is so heavy that the corps has to be activated. This situation is thus, among others, thinkable in the face of the possible use of tactical atomic or chemical weapons with whose help the enemy is attempting to break through the stable defense on a broad front or to expand initial successes.

Threatened Flanks

The situation of a threatened flank offers another variant of independent PAH application. After a successful deep penetration at the front of a neighbor (neighboring corps), the enemy turns in and threatens one's own deep flank which without reserves is open and unprotected. In this case, PAH can be employed for the most part independently.

The main criterion in all of these situations in which an independent mission is considered has to be to give back to the ground combat forces as quickly as possible the responsibility for the conduct of battle. "PAH can not hold any territory..." (Army Regulation 370/100 Nr. 605).

The Independent PAH Mission in the Case of a Tactical Perimeter Position

The Decision of the IVth Blue Corps

The IVth blue corps has during the night after assessment of the situation made the decision in the face of the developing breakthrough at the position of the 15th armored division to employ the army air regiment (HFlgRgt) and to subordinate the division in order to slow the further rapid thrust of massed enemy forces.

Flanking Measures of the Corps/Detachment to the Mission

Strengths and Availability of PAH in the HFlgRgt 46

This order of the IVth blue corps via army air detachment 4 (HFlgKdo 4) to HFlgRgt 46 must be accompanied by flanking measures of the HFlgKdo. Accordingly, certain findings must have already been made by the corps:

- whether PAH forces are attached
- the classification of the PAH forces
- which divisions contained PAH forces
- which PAH forces are to be recalled

Along with the number of PAH to be used, the number of available guided missiles for this operation will also have to be released.

Conflict of Interest PAH Mission Air Space Regulation

Coordinating measures and orders are also required in order to harmonize the PAH mission with missions of the airforce and the air defense forces. Thus the detachment must activate arrangements with ASOC concerning the airforce's own possible missions over the corps. In a like manner, the information concerning the PAH mission must go to ADOLT.

The airspaces of one/several HIDACZ which lie in the zone of responsibility of the corps are, as a rule, activated with the fire control "free fire"; here at corps echelon the priority fire control HIDACZ-PAH mission has to be clearly specified as soon as more than one division becomes affected by the PAH mission.

The army aviation detachment can also save time here by initiating the appropriate steps.

For the decision by the commanding general of the IVth blue corps to use the HFlgRgt 46 in an independent PAH operation, among other things, it must be known that this type of mission always imposes a big restraint on the action of available anti aircraft units.

Overall however, the decision to limit the potential effectiveness of antiaircraft units has to be arrived at very carefully since surely a coordinated attack by enemy ground forces, airforces and combat helicopters will be involved.

Initial Thoughts on Supply

Concerning the procurement of supplies for such a mission, Army Regulation 370/100 Nr. 205 states: "The airmobile provisioning of army aviation units, especially PAH, is to be assured by the army air detachment under its own authority."

Depending on the number of guided missiles released for use and the ordered or expected mission duration, HFlgKdo 4 should assign ahead of time UH-1D or CH-53 helicopters to HFlgRgt 46 for use as required.

More thoughts later on other questions about provisioning for an independent PAH operation.

Inferences of HFlgRgt 46

The submittal of the BFE for the independent PAH mission by the HFlgRgt 46 triggers various actions and orders which do not necessarily overlay with those of a "conventional" PAH mission.

Preparation of the Independent PAH Mission--Establishing Communications with the Division.

Reconnaissance

First of all, it appears urgent to compress the relatively old corps/detachment position relation as rapidly as possible by new reconnaissance results.

In the absence of other means of reconnaissance and in consideration of the press of time, the missing information can be acquired in this exceptional situation by one's own reconnaissance by, say, helicopters.

Liaison helicopters (VBH) from one's own detachment squadron (Kdo-Staffel) or also from the associated division squadron can be used in order to generate the missing or update the old enemy position reports. However, it must be mentioned that a risk of this reconnaissance is that the VBH has no sensors, the use of the regiment's own PAH must be considered as a solution. PAH are directly available and thus can reach the enemy position faster. They only have to be recalled from their present mission locations and redirected in order, after reprovisioning, to immediately undertake the task of combat reconnaissance.

The PAH are in addition equipped with a visual aid, the sight; they can thus also conduct armed reconnaissance. In any case, a not insignificant time period must be planned for the reconnaissance forces and it must be taken into consideration that losses are to be expected.

Also an attempt must be made to not lose contact with the enemy once it is established in order to be able to immediately commit the later inflying swarms.

This "enemy hand off" by the PAH crews involved in the fire fight to the incoming swarms is accomplished smoothly since it involves practiced exercises and crews. All of these facts speak, in the author's opinion, for the PAH as a reconnaissance medium to be utilized.

As a compromise in this case, the use of mixed reconnaissance forces may be applicable: The regiment's own PAH at the presumed center of the enemy attack, VBH of the detachment or division squadron for reconnoitering the flanks and avoiding crossing through numerous attack points.

The PAH Commander's Decision

Of course, mission, position and terrain are in the final analysis decisive for that part of the PAH commander's decision which affects the commitment of the PAH; however, in the case of an independent PAH operation in a crisis situation, two things appear certain from the beginning:

1. The mission must be planned to last for a considerable time (namely, until ground forces arrive).
2. The massively attacking enemy must be struck with concentrated fire from the greatest possible number of PAH in order to halt his advance.

Thus, the decision of repeated strikes with two swarms is to be expected since by this procedure, contact with the enemy from strike to strike is assured.

The Independent PAH Mission

The commander of the PAH will after issuing appropriate orders--at the latest upon receipt of the first enemy position report from the reconnoitering helicopters--direct the overall mission from the position providing the best communications. This can be by momentarily equipping a station near the regimental battle station with command and control equipment, or possibly command will be effected from the combat station of the division or brigade involved to the extent that it is still available and functional. Should that not be the case, then the combat control center of a neighboring division is a possibility.

The commander of flight operations section (FlgAbt) 461 commits the PAH reconnaissance vehicles requested within 15 to 20 minutes after receipt of the request at the regiment. Then as commander at location he occupies an overview (terrain) as far forward as possible and after evaluating the critical enemy position reports directs the PAH mission.

In any case, the following questions are among those of interest to the commander of the flying units:

- What forces will be available when,
- What is the battle strength of the swarms,
- How long does it take for the reconnoitering helicopters to make a comprehensive position report (here one must allow roughly 45 min)
- When do the first PAH have to receive their mission orders,
- How will the PAH forces be used (here the regulations allow several possibilities: either an integral swarm, two groups or--in the exceptional case--three pairs),
- When and how will the release from target be carried out (the first releases between the strikes should made as soon as possible, about 20 min, since in the presence of a large number of targets, the supply of guided missiles on board will be rapidly depleted),
- What is the anticipated stop time for the strikes and what are the termination orders?

The commander FlgAbt will also take off, at the latest with the first swarms, in order to coordinate the initial mission of the swarms using the reconnaissance results reported back by the combat reconnaissance units on station. The objective should be to provide the incoming swarms with the reports from the battle observers in contact with the enemy so that they can if necessary react to the results of the initial strikes. For prosecuting the unfolding mission, here predominantly involving replacements, the commander from the air (VBH) takes charge in order to assure a coordinated reaction to ensuing forward or backward movements of the embattled enemy forces. Incumbent upon him is also coordination of permanent reconnaissance relating to enemy movements in the case of logically imposed replacement actions within the reconnaissance helicopter units as well as coordination of communications with the division.

Since it is to be expected that the enemy will regroup into a number of narrow columns along several corridors of advance, specific target assignments have to be ordered to preclude attacking just the previous single enemy spearhead.

To break the enemy advance means to kill a large number of his forces.

The HFlg Rgt 46 can in this situation airlift the commanders of engineering, anti-aircraft or artillery units as well as Alo/FAC when necessary to the scene of the action in order to provide these forces, to the extent available and operational, the opportunity use their weapons with greater coordination and effectiveness upon appropriate orders from the division and thus jointly crush the enemy attack.

The preparatory discussions relating to transferring control of battle operations to the arriving ground force contingents are to be initiated by the PAH communications section at division level. To be included are frequency coordination, communications documentation, reference points, current location of enemy spearheads, PAH stations, etc. The distribution of the new documentation from the division to the swarms appears most certain through supply channels so that all swarms quickly have available the latest information. At the latest 2 to 3 hours before commitment of the blue forces, the commander of the PAH and the commander of the ground forces will synchronize their specific operational plans. This meeting provides another opportunity to exchange information concerning the enemy, terrain, etc as well as the opportunity for the commander of the ground troops to survey the terrain from the air.

At the instant enemy forces make contact with the blue's prepared defenses or when the blue forces mount the counter attack, responsibility for combat operations is passed over to the ground forces and the PAH mission loses its independent character.

Logistics

With the ramifications of the independent PAH mission is associated another large complex, that of supply. As with other questions above, this question also depends to a great extent on the location of the division and the deployment of the army aviation supply facilities.

In summary fashion, the central question can be posed as follows: How and where can a complete PAH regiment engaged in operations acquire quickly, smoothly and in large quantities the aviation fuel and guided missiles required for several missions?

Available Capacities and Flight Times

In total, the following support areas are available:

- per division, one forward support area (vorgVfgR) of the PAH regiment,
- per division, one support area army aviation squadron D (VfgR HflgStff D),
- one RgtVfgR PAH,
- one RgtVfgR LTH (light transport helicopter)
- one RgtVfgR MTH (medium transport helicopter)

In the usual case, when 3 divisions within the corps are defensively employed side by side, there are within the division in the most favorable case 6 forward tanking facilities--3 vorgVfgR PAH and 3 VfgR HflgStff D--available, in addition to this there are those of the RgtVfgR. The VfgR LTH and MTH are located at the echelon of the RgtVfgR PAH, usually however still farther back so that only in the random case of more suitable deployment in relation to the tactical position would they come under consideration. Otherwise the flight distances and reaction times there are too long.

The tank volume of the division squadron is rather small for swarm missions; here as an exceptional case one could with corps priority requisition at most a 6,000 ltr truck; however no guided missiles are available in these support areas. They would be transported to the particular support area only after requisitioning air transport space from HflgKdo 4. Per forward support area of the PAH regiment, 3 18,000-ltr tank trucks are available from which the helicopters can be fueled; available also are the appropriate guided missiles.

"Other" Measures

In general, considerations of supply problems can not remain at the model level.

A number of imponderables in a battle make it appear more than advisable to avoid the greatest number of bottlenecks from the beginning by circumventing measures.

As disruptive factors, the following should be considered:

- Forward support areas are reconnoitered and attacked and shut down by chemical warfare or are overrun by enemy breakthroughs.
- Support areas, including the forward support areas of the PAH regiment and the division squadron, are subject to various threats; shortages and or limited readiness to dispense supplies when deploying are to be expected.
- Mechanical disruptions (clogged pumps, broken down tank trucks, etc.) can cripple capabilities.
- The tanks listed above may not be filled to capacity at the beginning of a PAH operation.

Realistically, one must consider that all regimental support areas are off limits for supply; the dependence on the division squadrons is not without problems, thus other solutions have to be recommended.

Specific possibilities are

- If basing on three vorgVfgR is possible, then the required goods must be massed here by the regiment and issued with priority.

--A further possibility is the withdrawal of individual tank trucks from the RgtVfgR for increasing the tank capacity of other supply points, which were created for storing airtransported munitions at suitable points (for shortening flight distances) and serve as forward supply points outside of the established support areas.

--Such supply points can also be formed since airtransportable fuel containers ordered by Kdo from the corps, the necessary pumping facilities and guided missiles can be collected at suitable points.

--To be limited as an absolute exception but technically possible is the fueling of the individual helicopter directly from the large (80,000 ltr) or small (36,000 ltr) railway tank car. Here would be required only one (randomly available or to be built) suitable deployment of the tank car, the (air) transportation of a fuel pumping facility and the associated LKF and proper conduct from all involved to provide the greatest possible deception for such a ruse if it is to be possible at all.

The totality of these measures assures the supply of such a mission.

Conclusion

The independent PAH mission devoid of any information and planning by ground combat forces requires maximum diligence and flexibility from all involved. Here the individual PAH crews are challenged as are those of the VBH used in an unusual role and the corresponding commanders of all affected echelons. Great flexibility and a self involvement in frequently changing situations plus the courage to adopt unorthodox solutions likewise contribute, in a tactical emergency situation which makes the independent PAH mission necessary, to functioning successfully, as also do solid basic knowledge and the sure mastery the PAH-1 weapon system or an appropriate replacement model. The independent PAH mission sketched in the thoughts above which was ordered by the corps to shield an embattled division from destruction

--is only reasonable at corps echelon,

--demands the specification of necessary priorities at all command levels involved in order to successfully achieve the results hoped for by the commanding general,

--can only be a time limited operation which should be handed over to the ground forces as soon as possible.

If appropriate boundary conditions such as air space regulations, fire control regulations and supply are properly coordinated, the independent PAH mission is possible. However, continuous practice and comprehensive interaction of all possible participants is a necessity.

The fact that (in the example above) during a mission lasting several hours more guided missiles can be loosed on the enemy than were presumably provided for this mission and also presumably more than the number of potential targets available shows in addition to the speed and flexibility above all the enormous antiarmor power from the third dimension supporting the ground combat forces. That means a decisive contribution to the credibility of our deterrent capability.

Antitank Helicopter Regiment Restructuring

Bonn WEHRTECHNIK in German Jul 85 pp 38-39

[Article by Lt Col Wolfgang Baeder: "Restructuring the PAH Regiments?"]

[Text] In exercises the mission effectiveness of the antiarmor helicopter has been demonstrated repeatedly. Of the greatest importance for the effective use of the PAH is a suitable structure of the army aviation regiment; yet, in operations the PAH are attached to the divisions. Lt Col Wolfgang Baeder, PAH squadron captain, offers for discussion in the following article a new organization for the army aviation regiment. A fundamental element of the new organization is that certain support elements will be attached directly to the two flight sections of the regiment so that the latter will become self sufficient during missions.

The organization of the combat and combat support forces and their better adaptation to the mission manifests itself in the present structure of the army. Upon introduction of the antiarmor helicopter, the army fell back on the army transport aviation flight regiment organization which has been in use since 1972 although the subdivision into the flight and aircraft technical sections had not proved good in practice. The speed of reaction of the commander of a flight section depends for one thing on whether the aircraft maintenance section is subordinate to him or whether he must first make time consuming formal arrangements. The army air medium transport regiment (CH-53) has not noticed this problem, since the greatest part of its missions (air landing operations) are flown within the unit's area of operations and the requirement for fast reaction does not appear to be so critical. (command and execution.)

The working echelon for antiarmor from the air is the squadron with its 4 swarms = 28 PAH-1. This was proven in the exceedingly effective performance of the swarm commander and the two squadron captains in planning, command post and combat exercises as well as in the GDP planning. For this purpose in the PAH regiments of the 2nd corps what is known as color-ratios were ordered between the PAH squadrons and the divisions. Within the PAH squadron the swarm commanders are responsible for "their brigades." This has the inestimable advantage that all PAH commanders (squadron captains and swarm commanders) know the terrain of their division and the intentions of their brigades and they, when they report in, are known to the commanders of the ground forces.

The firepower of a swarm (7 PAH with a total of 42 HOT antiarmor missiles) can with suitable application kill an enemy armored battalion in less than 1 hour in the brigade area. If one figures this for a division with an assigned PAH squadron (4 swarms with 168 HOT missiles), then the effect at the target is far greater than that of a ground force battalion, taking into account both area and time.

Since for reasons of distance, the antiarmor helicopter can not operate beyond the regimental support area, the PAH squadron is assigned a platoon from the sup-

ply squadron which sets up and operates the forward support area under the command of the flight operations staff officer to provide aviation fuel and antiarmor missiles. The deployment of this support area is recommended by the squadron captain of the PAH squadron after consultation with the G4 of the division concerned.

The capability of the army aviation command and the army aviation regiment to influence a PAH squadron is limited to the transmittal of the assignment orders of the commanding general and the assignment of the support units--aircraft maintenance, supply platoon and security detachment. The squadron captain, as commander of his PAH squadron attached to the division, also has to be the commander of all subordinate units.

These facts are in no way accounted for in the present organizational chart of an army aviation regiment, see Figure 1.

Operational economics aspects are always presented as the reason when the actual structure of a military unit deviates significantly from its organizational chart. Every unit and force commander feels obligated to spend money wisely, but he also has to weigh to what extent financial effectiveness is impaired at all when he recommends that his organizational chart reflect his actual organization: one thing he always gains--better motivated soldiers who know their stations and above all recognize their leader.

The proposed structure in no way raises a claim to completeness, nor is it the only one possible; it will however, in preparation for the introduction of the PAH-2, recognize the experiences in the use of PAH-1 in which the long-term development is accounted for.

The organizational chart drawn in Figure 2 representing an army aviation regiment PAH remains in size order of regiment and in the command echelon of the corps. But from the standpoint of the echelon of execution, it would be very much worth considering whether an army air battalion of the division with PAH, LTH/VBH could be employed even more effectively.

Since the division controls "its" PAH for the mission, is it of critical importance whether or not the assigned force unit is "independent" and can enter into the battle of combined arms without limitation. Presently the PAH squadron of the flying section of the army air regiment for this mission must be completed with battalions and groups from all sections, squadrons and echelons of the regiment. The certification of resupply with aviation fuel and HOT missiles as well as reports of the current situation will likewise be reported directly to the regimental staff. These conditions imply that the PAH regiment must have the greatest possible number of independent, mobile units which it can subordinate to the presently controlling divisions.

Two flying sections each with 28 PAH (thus the same strength as present PAH squadrons) but with all necessary support units
--supply, for the operation of a forward support area
--VBH/LHT swarm, for direct access to the command helicopter and assurance of fast airmobile supply with missiles and or technical support for damaged PAH
--scouting and security of the forward support area
would more effectively shape the mission of the PAH in peace-time exercises and in war through significantly shorter start up times.

By separating the regimental support area and the forward support area, it would be possible for the division without great effort, depending on the position, to deploy aircraft maintenance, security and supply personnel for the PAH commanders.

For peacetime training purposes and practice missions it would be possible to react swiftly and without degradation of competence for brief periods of operation with large units. The combat use of modern weapon systems such as the PAH-1 must be made very simple through minimizing the interference of technical hierarchies and through good maintainability.

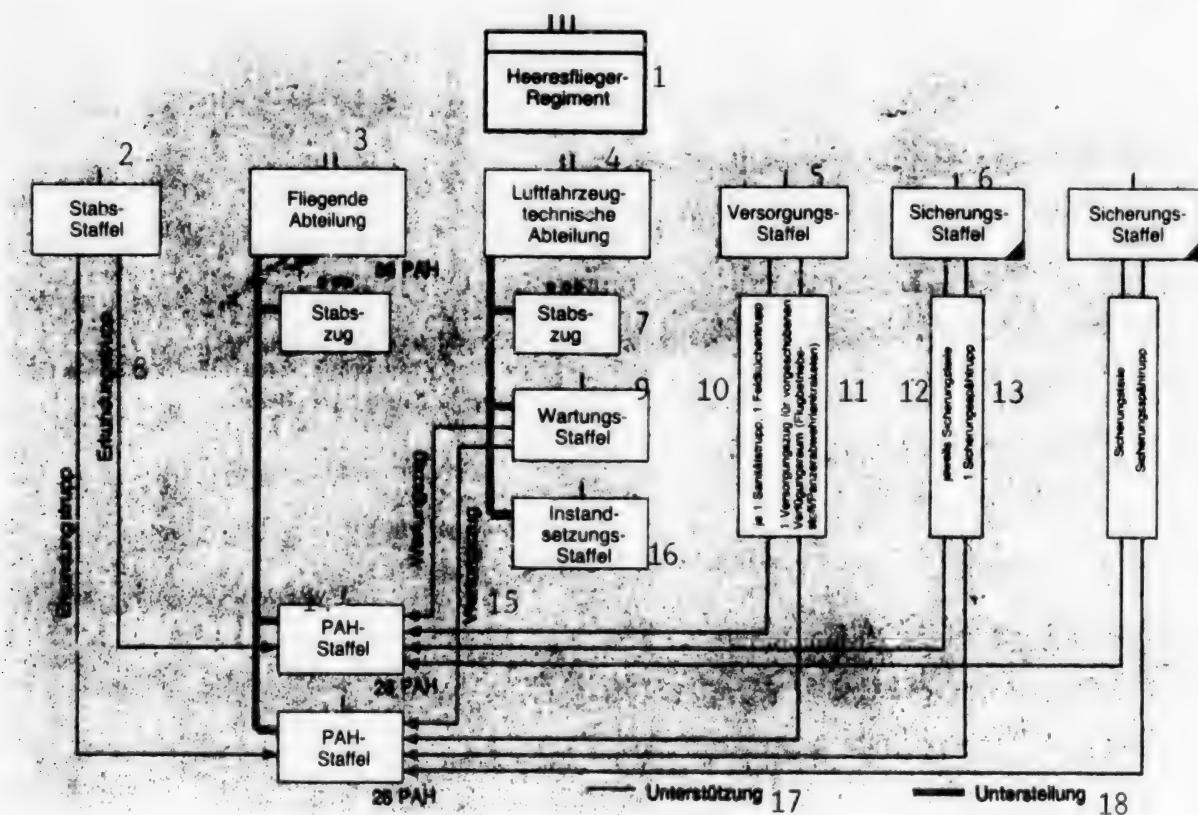


Figure 1: Present structure of an army air regiment

Key to Figure 1:

1. army air regiment
2. staff squadron
3. flight operations section
4. aircraft technical section
5. supply squadron
6. security squadron
7. staff platoon
8. reconnaissance detachment
9. maintenance squadron

10. each, 1 medical detachment, 1 field mess detachment
11. one supply platoon for forward support area (aircraft fuel/antiarmor missiles)
12. security details as required
13. one reconnaissance detail
14. PAH squadron
15. maintenance platoon
16. repair squadron
17. support
18. subordination

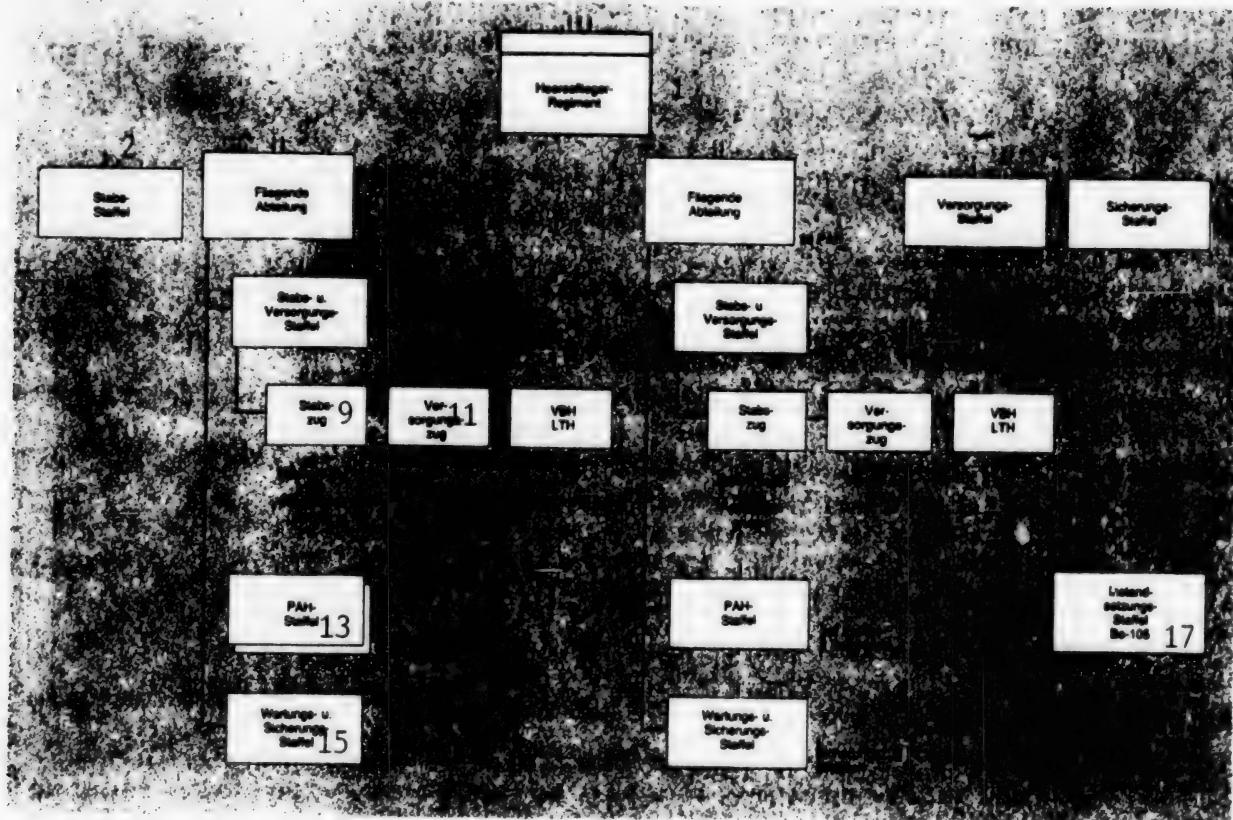


Figure 2: Proposed structure for an army air squadron

Key to Figure 2:

1. army air regiment
2. staff squadron
3. flight operations section
4. supply squadron
5. cadre strength (3 supply platoons for forward support area)
6. security squadron
7. patrols
8. staff and supply squadrons
9. staff platoon
10. with reconnaissance detail, communications group
11. supply platoon

12. forward support area
13. PAH squadron
14. per squadron, 2 swarms of 7 PAH
15. maintenance and security squadron
16. security platoon field gun 20, cadre strength
17. repair squadron Bo-105
18. since the repair squadron of the PAH regiment is also responsible for maintaining the VBHs (Bo-105M) of the command area, they can be used under direct command of the army air command.

9160

CSO: 3620/388

MILITARY

GREECE

GOVERNMENT CONCERNED ABOUT RETIRED MILITARY'S ACTIVITIES

Athens TO VIMA in Greek 30 Jun 85 pp 18-19

Article by Mikh. Dimitriou: "The 'branch organization of the generals'"

Text Prime minister Mr Andreas Papandreou made serious accusations last week in parliament regarding the activity of the "branch organization of the retired military" of the New Democracy, while the substitute minister of National Defense, Mr Ant. Drosogiannis, accused specific retired military members of the branch organization of engaging in anti-democratic activities in clubs and summer resorts where they can come easily in contact with "active officers". The N.D. /New Democracy/ and its honorary president, Mr E. Averof, reacted with the contention that the retired military have the right to organize themselves into parties with a "democratic function" and that they do not have "the military capacity and the organizational ties with the units they belonged to any longer".

Nevertheless, a chain of events in the past as well as the active participation of "branch organization" retired military in ONNED /Youth Organization of the New Democracy Party/, of Mssrs Manolakos and Mikhaliakos in the euroelection incidents in Athens and in stirring opposition in the Security Corps to the bill calling for their unification, lend support to another thought process and argumentation.

Especially, of course, when one of these "channels" of communication with ONNED, the Security Corps and the Armed Forces may be persons such as Mssrs Khr. Karathanasis, Nikolaos Gournias and Theokharis Mantzafas who are members of N.D. /New Democracy/ or retired military who served under the junta and former officials of EPEN.

Mr A. Papandreou emphasized in Parliament that the establishment and action of this "branch organization" is a "very dangerous operation in this country that still remembers the dictatorship of the colonels". Mr Drosogiannis clarified that the retired military could be members of a party as individuals in local organizations, but in N.D. they have been organized in an "independent team", and explained that: "Their activities are not and can not be the same as the activities that can be developed by other branch organizations of workers and retired people".

The relative discussion and the accusations in the Parliament have given the N.D. intense problems, according to information of TO VIMA, and old divisive situations have been rekindled among the retired deputies and the "branch organization" retired military, while some of the former are afraid that some of the latter "may expose us irreparably with some of their carelessness and fanaticisms".

Who are the people that comprise the branch organization of the N.D. and what do they do? What party mechanisms have they joined, what dissensions exist among them, and what dangers can be considered probable?

The retired officers are active in mainly four sectors of the party mechanism of the N.D. These officers flooded the party after Mr E. Averof undertook the leadership and retired lieutenant general Periklis Papathanasiou undertook the general administration.

The first sector is the branch organization, the second the District Organization of the party and the other two the OKE /Parliamentary Team for Labor/ of the Ministry of Public Order and the Ministry of National Defense.

In these two committees that are mostly occupied with the examination of bills and the processing of questions and interpellations, many retired military participate either in the capacity of a politician (as Mssrs Christos Karathanasis and Pan. Manetas) or the specialist or expert, such as Air Force Major General Mr G. Vagiakakos. Mr Sot. Vavaroutsos, former commanding officer of the Armed Forces Information Service, is being used as a specialist in the OKE of the Office of the President.

The desire to broaden the base of the party began to make some of the managers of the branch organization put water in their wine and not refuse membership to "proven junta supporters". That is how the Police retirees who had been accused of torture, the Armed Forces retirees who were junta supporters and others found a home. This shelter resulted in a negative stance towards the eventuality of providing shelter in the branch organization for certain "Rallis follower" retired military who were considered by the managers as being "leftists" (Kalamakis, Bratsos, Kritikos, Vazaios, Rizas and others). But as far as they were concerned, certain "leftists" did not express any desire to become members of the "branch organization" (Khoukhoulis, Vazaios, Kalamakis, Karadimas, Bratsos).

In time, the extreme right accents began to dominate the retired military of the "branch organization". In the invitation of the branch organization in Northern Greece dated 22 May 84 and with the signature of the lieutenant general of Military Justice, Mr Anastasios Bokovos (brother of the former old rightist Deputy from Thessaloniki Mr Pan. Bokovos), the retired military is invited to get organized so that "our dynamic presence" in the political area of the N.D. "will make it possible to crush the leftist marxist dark forces that are methodically slowly but surely leading to the destruction of our country by abolishing Freedom and Democracy and joining the antidemocratic and unfree countries of the Eastern Bloc or of the Third Type".

According to information of TO VIMA, leading officials of the "branch organization of the retired military" in Northern Greece (that is sheltered in the offices of the prefectoral committee of Thessaloniki) include a considerable number of junta supporters and extreme rightists.

According to reliable information, the retired military of Athens come to about 2,500. This increase (compared to the 600 - 700 last December) is due to the influx of dozens of retired military who belonged organizationally or "ideologically" to EPEN.

It is exactly this heavy influx since the beginning of 1985 of extreme rightist elements that has created certain problems in the administrative committee that was elected during last December's elections and that includes a considerable number of moderate or anti-dictatorship rightists.

Similarly, it has been decided to establish "branch organizations of retired military" in various provincial towns. Already the first organizational nuclei of 20 to 30 retired military have been formed in Patras, Ioannina, Lamia, Larissa, Irakleion and Serres. The coordinator of this "decentralizing" effort from the "branch organization" of Athens who was first appointed was major general Dafnis who was succeeded by major general Mr Souranis, former high level official of the Armed Forces Information Service.

9346
CSO: 3521/298

MILITARY

GREECE

POLICE PROMOTIONS, RETIREMENTS QUESTIONED

Athens I KATHIMERINI in Greek 7-8 Jul 85 p 1

[Text] Yesterday, the government "retired" 17 major generals of the Greek Police. According to yesterday's evaluations, made by the Supreme Council under the chairmanship of the Corps' Commandant, Mr. G. Romosios, and with the participation of two lieutenant generals of the Army, the Council promoted to the rank of lieutenant general two incumbents, kept two incumbents with the rank of major general and retired 17, among whom there were some particularly able officers.

In effect, the council promoted to the rank of lieutenant general, Mr. Emm. Mbotsinakis, General Police Chief of Attiki, and Mr. Ioan. Stavrakas, Police Chief, 1st Class of Attiki. It kept in the rank Mr. Styl. Tzanakis, Director of Security and Mr. Sot. Mbouzas. The remaining major generals were considered to have honorably completed their service and have been retired. Those retired are: K. Papakonstandinou, I. Lantzakakis, D. Tsamoulis, S. Daskalakis, E. Sakellariou, S. Galanopoulos, K. Niaros, N. Mbrakis, St. Sarandolidis, I. Giannopoulos, Gr. Kartsonakis, M. Karakhalios, A. Nikolopoulos, G. Tyrakis, N. Vougaris, E. Peragiannakis and Emm. Mbasias.

The Council's evaluations for retention in service are the General Services major generals (Medical Corps) Messrs. I. Papastathopoulos and A. Emmanouilidis.

Next Tuesday, in all probability, the Higher Council will meet to evaluate the 122 Police Chiefs 1st Class. Six of them will be promoted to the rank of major general. A new "massacre" is expected to eliminate larger numbers in the ranks of police chiefs, both in order to promote the insiders and to satisfy the lower ranks, who are pressing for speedier advancements in their careers.

It is interesting to note that the 17 retired major generals had been evaluated a few months ago and had been promoted to the rank of major general, in addition to the fact that they did not hold positions in which they had failed as justification for their being retired. On the other hand, some of those promoted or held over held key positions in which they were anything but successful.

9731
CSO: 3521/295

MILITARY

GREECE

RETIREMENT REPORTEDLY DUE TO POLICY DISAGREEMENTS

Athens I VRADYNI in Greek 18 Jul 85 pp 1, 5

/Text/ According to reliable information, the real reason why Lt Gen A. Papastathis, first deputy chief of the GEETHA /National Defense General Staff/, resigned his position was the manipulation of the military leadership of the country and the government's policy on NATO and our relations with the alliance in general. According to the same information, at least two other high-ranking staff officers are expressing disagreement with the handling of these same issues.

According to informed sources, moreover, when Lt Gen Papastathis expressed his disagreement, Air Force Gen G. Kouris, GEETHA chief, suggested that he tow the government line! It is said that he told him, you may have other opinions. You are, however, obliged to follow the government line on such issues.

Additional information also relate that Lt Gen Papastathis also disagreed with Mr N. Pappas, GEN /Naval General Staff/ chief.

- Yesterday, Alternate Minister of National Defense A. Drosogiannis, after meeting with Lt Gen A. Papastathis, issued a statement in which he tried to downgrade the significance of the resignation and to deny published reports. However, the essence of what he said is such that it actually reinforces the information that there was a disagreement between the high-ranking GEETHA officer and other high-level officers of the armed forces.

It is characteristic that Mr Drosogiannis asserts that there was no "friction" between Messrs N. Kouris and A. Papastathis, a fact that made political observers point out that "friction is one thing and disagreement another" and that Mr Papastathis "had disagreed."

Also, Mr Drosogiannis described published reports as "non-existent as to their dimensions," a statement that is being interpreted as a confirmation of some difference of opinions.

Mr Drosogiannis' statement was as follows:

"Published reports dealing with the resignation of the first deputy chief of GEETHA, Lt Gen A. Papastathis, are non-existent as to their dimensions. There was no friction between him and Gen N. Kouris, GEETHA chief."

Yesterday morning, Mr Drosogiannis met with Lt Gen A. Papastathis. However, the latter's resignation has not yet been accepted.

In a letter addressed to the press yesterday, Lt Gen A. Papastathis confirms that he had submitted his resignation, without denying information over the reasons that led him to take this step. He specifically mentions the following:

"On 5 July 1985, I mentioned to the leadership that I had carried out my task and obligations to the army and that I had completed the necessary time in the service and that I wanted to go back into private life. I requested that my resignation be accepted for the above personal reasons. All other versions and commentaries do not stand up and I request that my request not be made a subject for exploitation. It is necessary that the unity, the authority and morale of our army be held on a very high level, devoted to the service of the nation and our people."

5671
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MILITARY

GREECE

BRIEFS

RADAR PURCHASES PLANNED--Our country will acquire new radar systems and, at the same time, a program for modernizing the air traffic control system was approved. This was decided at yesterday's meeting of KYSEA [Government Council for National Defense], which took place at the Maximou Building, with its full membership present and with the participation of National Economy minister, Mr. Ger. Arsenis, and Communications Minister Evang. Kouloumbis as well as the Chiefs of the General Staffs of National Defense, Army, Navy and Air Force. With the modernization of the air traffic control system there will be achieved an increase in the potential of the airspace controlled, a more economical servicing of air traffic (decrease of flying time and use of fuel) and a high degree of flight safety. At the same time, the procedure for the procurement of radar systems will be set in motion. The KYSEA also examined the matter of modernizing the Army about which it will make the final decisions at the next meeting that will take place on 8 August. [Text] [Athens I KATHIMERINI in Greek 9 Jul 85 p 1] 9731

CSO: 3521/295

ECONOMIC

BELGIUM

PROFESSOR CRITICIZES FINANCIAL, FISCAL POLICY

Brussels KNACK in Dutch 3 Jul 85 pp 19-26

[Interview with Paul De Grauwe, professor, by Marc Reynebeau and Frans Verleyen; date and place not specified: "A Government with Two Left Hands"]

[Text] What had been vaguely felt has now been proven scientifically. Our governments, not excluding Martens V [the fifth Martens cabinet], do the opposite fiscally and financially of what they themselves claim to do. Prof. Paul De Grauwe throws a bit more salt in this open wound.

The Center for Economic Studies at the Catholic University of Louvain has the knack of getting into the news at regular intervals. Well-known reports on the constant flow of Flemish money to deficit-ridden Wallonia or on other financial consequences of Belgium's unitary system--to name a few--have upset more than one government. People are thus rather fearful of the small reports with the big political charge published from time to time by Paul De Grauwe (39), a young professor known for his Liberal views.

Last summer his paper in the TIJDSCHRIFT VOOR EKONOMIE EN MANAGEMENT told us that since 1960 the annual tax burden has risen an average of 2.6 percent. However, whenever there are Socialists in the government, the percentage is lower: 2.2. Liberal participation in the coalition makes it go up to 3.3.

The usual excuses surrounding this striking phenomenon are not valid, De Grauwe comments. It is not, for instance, a question of a "delay," with the fiscal results of Center-Left measures only showing up under Center-Right successors. And so on.

In the political "Jaarboek" [Annual] for 1984, published by Res Publica, the professor from Louvain completes the picture: under Center-Right total state expenditures have risen since 1960 at an average annual rate of 3.1 percent, and under Center-Left by only 2.8 percent. The expenditures for social programs have risen even faster than the total: by 4.8 percent under Center-Right governments and by 3.5 percent under Center-Left. Belgian collectivism thus is not to be found in the place where it is usually sought. And the electorate has a peculiar problem: voting for the Left or for the

Right is like "choosing between Coke and Pepsi," says De Grauwe. The party platforms do differ, but the actual policy turns out just reversed.

In a conversation with the editors, De Grauwe himself comes to an ironic conclusion: a government that includes Willy Claes is in a better position to try to cut government spending than is one that includes Willy De Clercq.

Perverse

[Question] Ten months ago you surprised the political world with a study on the tax burden in Belgium. You said then that coalitions containing a party of the Left levy fewer taxes than Center-Right cabinets. Today you are adding another carefully studied conclusion to that: Center-Right also spends more money than Center-Left and thus gives an extra increase to budget deficits. That is all for the period 1960-1983.

Professor Paul De Grauwe: The facts are simple. When the Belgian Socialists are not in the government, the tax burden rises. Naturally there can be reasons for that that a government cannot do anything about, the state of the economy for instance. But even if you allow for that sort of bad luck, you will find that Center-Right coalitions simply have fewer scruples in fiscal affairs. As for expenditures, you find the same phenomenon: governments that include Liberals spend more government money than those that include Socialists. To be sure, there is clearly a smaller difference here than in fiscal matters.

Which part of total expenditures goes up more and which less? I took a special look at the area of social programs and found the same "perverse" situation there: Center-Right of all governments makes this category of expenditure rise, even if you allow for chance handicaps arising from the economic situation that prevails under such coalitions.

[Question] So even "seasonally adjusted" figures prove that coalitions with Liberals are "big spenders" and "big taxers."

De Grauwe: Yes, and the explanation for that phenomenon is not easy to find. Of course there is a theory that the political color of a government is of no importance. That it is just the pressure groups, the corporative fabric of interests that exercise the real power, working outside Parliament and behind the scenes. For myself I prefer to take the picture of the average voter: the great middle bloc of the electorate is in the center, and all governments adjust their measures to that. Left will bend to the Right in its actions, and vice versa. Cabinets always want to prove that the opposition is wrong in its accusations (of the type: "The rich are getting richer, and the poor are getting poorer"). Center-Right governments thus end up not just imitating the Left, but sometimes even going further. My colleague Wim Moesen, a professor in Antwerp, has carried out special studies of this, of the Antwerp city government for instance. The symptoms are much clearer yet there and are comparable with other cities.

[Question] In which sector of social programs does Center-Right spending rise the most?

De Grauwe: In a couple of sectors there is no difference between Left and Right, in pensions for instance. The Center-Right increase shows up mainly in the child allowances sector (and that is rather logical politically for someone on the Right), while I can find just about no difference on unemployment. Not for the total amount of stamp money or the unemployment payments and not for the cost per individual unemployed person.

[Question] But could it not be that only Center-Right recoups a portion of the social expenditure on unemployment and other income replacements by levying taxes on that sort of welfare payment? So that its "social nature" is a fiction.

De Grauwe: That is a very complicated calculation that I have not carried out. But the bare figures are sufficiently clear. The real Santa Claus policy does not come from cabinets that include the Left.

[Question] The period you investigated falls between 1960 and 1983. Have you also looked at developments for the past year, 1984, under Martens V?

De Grauwe: Yes, the general data also hold for that year. By the way, I would note that I define the "tax burden" as the percentage of the gross national product that goes to the government. In Belgium that is a bit less than half of the gross national product. If you then add the annual budget deficits of over 500 billion, then the total "government sequestration" reaches over 60 percent of the gross national product. It should be clear therefore that I, for instance, consider it part of the fiscal burden when the government claws back three times what we get from the rise in the index rate, regardless of what claims Liberal Minister of Finance Willy De Clercq may have made on the subject.

[Question] Center-Right governments frequently claim that their deficit, and thus also their need for more revenue, is due to earlier Center-Left cabinets.

De Grauwe: That is the so-called skeleton in the closet, that only turned up afterwards. That story comes up often but does not hold water. Even the fact that tax rates are not indexed is not enough to explain what happens with Center-Right coalitions. They would like to have you believe that incomes rise faster under their administration, and that, yes, because of that more people get into the higher tax rates. To a certain extent there is something to that, but it explains the situation only in small part. It is clear that Christian-Liberal coalitions raise taxes through their own, new decisions. That buying power declines is due to that fact, and not to business's paying people less. Under Martens V that is quite clear: gross pay has not fallen, but direct buying power has, five to six percent so far.

[Question] Has our competitiveness not been restored then?

De Grauwe: Yes, it has, because that is a relative concept: it is a matter of comparisons with other countries. Pay has risen faster abroad than here

at home. Besides, our competitive position naturally has improved because of the devaluation at the start of 1982.

[Question] A newspaper has concluded from your note on our government spending patterns that Center-Right cabinets, with their higher level of spending, carry out a more "social" policy. You could also say: they put more collectivism into their administration.

De Grauwe: The word "social" was used in this connection by the paper, not by me. But I do agree with your term "collectivism."

Argentina

[Question] In that case you are very strict with the present government and actually unmask its claims about itself.

De Grauwe: My study may well unmask a number of myths, yes. It proves that the political climate of thought within the present majority, which supposedly wants to dismantle collectivism, is not confirmed by the facts and deeds. That is true not only of major economic policy, but also for practical applications, such as rent legislation. That is a prototype of Left policy that has been carried out at various times by Center-Right cabinets: Tindemans I in 1975 and Martens-Gol last year. As an economist, I think rent acts are a bad thing, but that is of no importance here. I only want to say that Center-Right cabinets will take on something like that, that those are the facts. They confirm time and time again that Center-Right wants to prove its social goals, under pressure from the opposition and from the tendencies within its own ranks that stand closest to the opposition.

[Question] People like Mark Eyskens and Wilfried Martens often say: the state does not take the money away from its citizens, it only redistributes and transfers it. The state is a cashier's window. That makes the tax burden and the level of expenditure less relevant economically than they are often thought to be. The money stays inside our own society, the state's share finds its way back to the marketplace.

De Grauwe: That is in fact true. I am only pointing out that Center-Right governments transfer more money than others.

[Question] And does that help economic growth or not?

De Grauwe: No, it puts a brake on it. The most important engine in the economy is people's desire to get ahead materially through their work. When the government makes that considerably more difficult, by taking an important chunk of their income away and giving it to people who qualify for benefits outside the economic cycle (for instance, because they have children, or because they too have to be able to go on vacation and get free sailing courses from the Bloso), then the government is laying hands on the economic engine. Naturally that is capitalist logic, but our system is controlled by that, we have no other. Our system is based on people who are willing to do things in order to get ahead financially. I am not saying that is good or bad. As a scientist I only say: in this given system

you can do some things, and other things you cannot do. And then I determine that ideology really does not have a very strong hold on governments. They all do the same thing. On that point I have become pretty cynical. I may have always been cynical, but now in the meantime I have better documentation for what I think about political conduct.

[Question] So the politicians lie about the policy they carry out?

De Grauwe: Yes, for a scientist politics is a very puzzling world. You could even get very pessimistic about our democracy, unless you are willing to see the positive side: governments that always do give in to the opposition. For a democrat that aspect can perhaps serve as a consolation, that power continuously corrects itself. The disadvantage is that the man in the street cannot follow it, and that he thinks the business of politics is dishonest, untrustworthy, and unpredictable. That in turn can lead to an situation of anti-parliamentarianism.

[Question] Still, you are saying that the government comes out with a false face. That it does something different from what it claims to do. That it is supposedly making cuts but lets the total government debt rise to over 5,000 billion francs. But maybe the exchange agents in Hongkong or London will realize that tomorrow, and there will be concern about the Belgian currency. Are you worried about a great monetary crash?

De Grauwe: To comment on that we have to make another comparison. Let's take Argentina. Since Peron and under the pressure of the dominant populism, they have been busy redistributing systematically and on a large scale. This finally brought the economy to a standstill and created what we call the new poverty. To cope with that, the government in turn had to lay more burdens on the population and thus ended up in the negative spiral. In that sense a country like Belgium is comparable to Argentina. But we have managed a couple of things better, such as curbing inflation. We fought it by orthodox means, and that sets us fundamentally apart from the well-known debtor nations. We also always managed, despite the large government deficits, to keep on saving and so to keep the capital market open. So all in all I am not worried about an immediate crash. That will only happen if investors' confidence here and abroad receives a great shock. The psychological factor is very important in this sector of the economy. Everything can be all right for a long time, or muddle along reasonably well, but collapse very abruptly because of some minor cause or other. You have to keep intact the belief that investments in the franc or in Belgian state bonds are founded on solid worth. As long as that belief is general, there will be no crash, and we will not find ourselves suddenly on one of those wild days when a large portion of the national savings disappears. But it is always an unstable situation.

[Question] Which is more dangerous? A thousand billion francs of debt abroad, or four thousand billion francs domestically, as is the case with Belgium?

De Grauwe: We export enough to continue to manage the payment of our debt abroad. The domestic debt burden is much more problematical politically:

the increase in the payments burden still continues to be greater than the growth in the gross national product, so that the situation continues to grow worse. Because of this the government has to take more and more away from each person in taxes in order to give it back to a limited portion of the public, to those who hold state bonds. Arguments of social justice might well force some cabinet to this conclusion: we will not do it any more, or not to that extent. The domestic debt would then be spread out artificially over a longer time, or something of the sort. Such proposals have already come up, even from scholars. Doing that, though, would only speed up the crash, since such a government could never go to the capital market again to sell treasury paper and bring in savings. The problem can only be solved by growth in the economy or by a fall in the interest rate. And I see the latter staying right where it is.

[Question] Do you support doing away with the real estate advance levy, which the Kredietbank's departing chairman recently called for?

De Grauwe: Yes, that keeps the Belgian interest rate so high that now even a lot of foreign capital turns up on our financial market. The high interest rate, however, makes payments proportionately more expensive. The government loses more in that way than the 65 billion that the real estate advance levy brings in.

[Question] Does it annoy you that the political world so rarely puts indisputable scientific insights into practice?

De Grauwe: An economist likes to think that he is wiser than the politicians. But I still give priority to the play of democracy, as long as the major schools of thought continue to exercise a general influence. I think that the monetarists--among whom I count myself--have succeeded in that in recent years. They have inspired not only those in power, but also the population in general. Nor has the average voter been a stable given: he too is evolving along, which means that the political compass by which governments orient themselves to that average voter has also moved.

[Question] With all that, would you go so far as to argue that Martens V's recovery policy has only appeared to be such and has not touched the basis of Belgium's economic problems?

De Grauwe: I would go half way. The problems are still the same ones as 4 years ago, but on some points the cabinet has had successes. Our image abroad--and that sort of thing is important--has improved. It is not that we have made such progress but that France, the Netherlands, and Germany have suddenly become much sicker in the 1980's. Just from that alone, we feel better. But as long as the question of the government deficit has not been solved, the whole house of cards can collapse unexpectedly.

12593
CSO: 3614/112

ECONOMIC

FEDERAL REPUBLIC OF GERMANY

METALWORKING INDUSTRY GROWTH ACCOUNTS FOR 100,000 NEW JOBS

Bonn DIE WELT in German 27 Jun 85 p 1

[Article by Guenther Bading: "100,000 New Jobs"]

[Text] Bonn—Between June of last year and April 1985, the firms of the German metal industry have hired just under 96,000 new employees. By mid-year, the metal industry employers association reports, present personnel plans should take that figure well over the 100,000 mark. This has been the sharpest one-year rise in personnel in the metalworking industry in 20 years.

The association attributes 85 percent of the growth in personnel to the "distinct growth momentum." Since 1983, production levels have risen by a good 13 percent. This has been due in particular to exports, which rose by 15 percent in March and April 1985 and domestic industrial investments which went up by 12 percent this year. 15 percent of the new jobs were created as a result of last year's agreement on shortening the work week, the provisions of which went into effect in the metalworking industry on 1 April 1985.

In this context, the association cites the foreseeable negative consequences of shortening the work week by one and one-half hours. At the moment, there are more jobs although not as many as could be expected given the metal industry boom. Looking at the shorter work week issue as a whole, however, the association notes that it has resulted in a 3.9 percent rise in the cost⁺ of each working hour and that internal management problems caused by the change in working hours will inevitably lead to the introduction of rationalization measures—which will cost some jobs in turn. The association concludes that a lot speaks for the fact that "even the present 6-percent rise in output is not merely attributable to greater use of plant capacity but also to rationalization measures introduced in response to the shorter work week."

The association cites an example in order to demonstrate how many jobs could be lost to rationalization. Increasing output by only one percent in response to shortening the work week will lead to a loss of 37,000 jobs out of a total of 3.7 million throughout the metalworking industry.

"The end effect of the shorter work week," the association concludes, "will be zero growth in employment." In the absence of the option to resort to flextime as stipulated in the bargaining agreement (where the metalworkers union asked to have the work week reduced for all employees to 38½ hours) "this shorter work week would even turn out to be a losing proposition."

9478

CSO: 3620/428

ECONOMIC

FEDERAL REPUBLIC OF GERMANY

BERLIN POSTS GAINS IN INDUSTRIAL PRODUCTION, EMPLOYMENT

West Berlin WOCHENBERICHT DES DEUTSCHEN INSTITUTS FUER WIRTSCHAFTSFORSCHUNG
in German 4 Jul 85 pp 311-315

[Unattributed article: "Berlin Economy in Spring of 1985"]

[Text] During the first few months of 1985, Berlin's economy has continued to improve. This underlying trend, however, was adversely affected by the exceptionally bad weather. The construction industry in particular was so hard hit that actual overall output adjusted for inflation will be only slightly higher than it was at the start of last year. In the second quarter, on the other hand, production figures appear to have increased quite markedly once more. Some of the major indicators, e.g. demand for Berlin's industrial products, point to a continuation of the favorable trend for the remainder of this year.

Although increased production has clearly resulted in more jobs, the situation on the labor market has not eased thus far because the number of people looking for jobs has increased as well. The number of unemployed is therefore expected to remain at about the 1984 level.

Rise in Number of Jobholders

Measured against the gross domestic product (in real terms minus user taxes), Berlin's economy did about one percent better during the first quarter of 1985 than the same period last year. The increase would have been appreciably greater, if it had not been adversely affected by bad weather conditions in particular. Nonetheless, the number of jobs did increase substantially overall. The number of jobholders during the first quarter stood at 843,000 or 8,000 more than a year ago. More than one-third of the new jobs were created in the processing sector. Jobs were also added in the service and the public service sector. The new jobs in government were due primarily to an increase of 1,300 in connection with job programs.

Thus, there was a sharper rise in employment [in Berlin] than in the rest of the FRG. This was due to the favorable trend in the processing sector and the not too unfavorable trend in the construction industry in Berlin.

Sharp Rise in Orders for Processing Industry

During the early months of the year, demand for Berlin's industrial products continued to increase. Seasonally adjusted orders during the first 4 months of the year were about eight percent higher than during the fall of 1984. A particularly sharp rise was registered in orders from abroad, especially for chemical products and investment goods. Demand declined on the other hand in a number of consumer goods industries and among producers with a link to the construction industry.

The general and continued improvement of the order picture resulted in a rise in the number of industrial jobs in April 1985 by 2.9 percent or 4,500 as against the same month last year and as against a corresponding rise of only one percent for the FRG as a whole.

The rather favorable trend in the Berlin economy is primarily due to the fact that:

—a rather large number of firms newly located in Berlin have started to go into production during the past year and at the start of 1985. This applies in particular to the chemical industry, the textile industry as well as the production of electronic software and data processing equipment;

—a major producer in the electrical industry who instituted drastic personnel cuts in 1983 as old plants were shut down opened a number of new plants last year and hired a large number of workers.

In view of the favorable order situation, industrial production in Berlin will continue to grow during the remainder of 1985. Continued good chances for exports as well as the investment plans of industry in other parts of the FRG would also seem to speak for such a prospect. According to the most recent investment poll conducted by Ifo, the FRG processing industry plans to increase its capital investments by 12 percent in real terms. Industrial firms in Berlin, which concentrate on the production of investment goods, may be expected to profit from this a lot.

Present production trends appear to indicate that the number of jobs in the Berlin processing industry will increase further and should be two to three percent higher than in 1984.

Decline in Orders in Construction Industry

During the first quarter of 1985, construction activity in Berlin declined more than usual for this time of year. The number of actual working hours in the construction industry declined by about 30 percent as against the previous year. This drop was primarily due to the exceptionally bad weather at the start of the year. The number of working days missed rose by one-quarter as compared to the first quarter of 1984.

But even leaving the poor weather conditions aside, construction activity appears to have declined under any circumstances. Because of the deadline for taking advantage of the investment credit a number of commercial construction projects were advanced into last year. But the decline in demand which began in the middle of 1984 has probably had a more lasting effect on the construction industry. During the first 4 months of 1985, the number of orders placed with the construction industry was nine percent less than the year before on a price-adjusted basis. This was due to a 20 percent drop in demand for housing and a 38 percent drop in demand for public sector construction.

The decline in the number of orders has caused many firms to cut jobs. The number of those employed in the construction industry during the first quarter of 1985 was more than three percent lower than during the comparable period last year. Although construction did increase during the second quarter as projects left unfinished because of the adverse weather conditions were resumed, the number of jobs has further declined. By the end of May, some 8,000 construction workers were without a job, i.e. 30 percent more than in 1984. In view of the sharp reduction in orders generally and particularly of the reduction in the government housing program from 7,550 units in 1984 to 7,050 this year there is no hope of any substantial improvement. For another thing, competition from West German firms will, if anything, increase because the situation there is even worse than in Berlin.

The situation is somewhat better in the interiors sector which is profiting from the rise in demand for modernization and maintenance of existing facilities. Overall, however, construction in 1985 is expected to decline by about five percent—which is more than was anticipated at the beginning of the year. The number of jobholders will decline by about the same percentage.

Temporary Drop in Private Consumption

Only very rough estimates are presently available on consumer trends in private households in Berlin, since there are no current data to be had based on official statistics. Because of the improved job situation in the first quarter of 1985, disposable income in Berlin has probably in-

creased slightly more than in the FRG proper. But at the same time, living costs rose by about one percent as they have for some time now. Price-adjusted private consumption in Berlin during the first quarter, similar to the FRG, appears to have been lower than last year. This is reflected in the turnover and job figures in the retail trade and in some consumer-dependent sectors of the crafts. On the other hand, those sectors of the economy which profit from the increasing number of visitors to Berlin have been making further gains. During the first quarter of 1985, the number of overnight stays by out-of-town guests increased by some eight percent as against 1984 and the number of hotel jobs increased by almost three percent during that same period.

During the second quarter, consumption in real terms appears to have increased once again as income rose more sharply. For all of 1985, consumption in Berlin will be about one percent greater than in 1984.

No Change in High Unemployment

Although the number of jobholders during the first quarter of 1985 was about 8,000 higher than in 1984, no real reduction in unemployment could be felt. The number of those officially registered as unemployed stood at an average of 86,600 for the first 3 months or the same as last year. By the end of May, it had dropped only slightly (1.8 percent) below the 1984 level. The number of part-time workers, however, has declined substantially.

Based on available data, it is not easy to explain the discrepancy between job trends and unemployment figures. One can only assume that the increased number of West German workers moving to Berlin as well as people moving to Berlin from the GDR made the difference. Part of the additional manpower needs appear to have been met by drawing on the silent reserves.

The percentage of unemployed of the number of all gainfully employed persons in Berlin is about the same as in the FRG proper. In May, the official unemployment figure for Berlin of 9.9 percent was distinctly higher than the FRG average of 8.8 percent; but the actual percentage, based on current overall economic data, was 9.3 both for Berlin and the FRG proper.¹

Conclusions

Economic growth in Berlin will continue throughout 1985; but growth will differ among the various sectors of the economy. While production and employment in the processing industry will grow substantially, a marked decline in the construction industry is to be expected.

The price-adjusted gross product this year will be about 2.5 percent higher than last year and thus grow at a faster rate than that of the economy as a whole.² The number of those gainfully employed is likely to rise by just under one percent to 848,000. Since the manpower pool has also grown, the number of unemployed on an annual average will stay at 81,000 or just about as high as last year.

FOOTNOTES

1. The official unemployment figures for Berlin have been higher than those for the FRG proper since 1977. In this connection, however, a point of statistical methodology should be noted which relativizes the differing unemployment levels in the two regions. The rate of unemployment is figured on the basis of the number of gainfully employed persons as identified by the micro-census. Since the last such census was taken 3 years ago, the EC manpower spot check procedure has been employed starting in January 1985. Particularly for a small area like Berlin, such a statistical method is extremely unreliable because the spot check involves only one percent of the total and because the **extrapolated figures** are based on the obsolete, **albeit adjusted**, 1970 census figures. A more reliable way of computing the jobless rate is to use current employment figures contained in overall economic statistical data.
2. The German Institute for Economic Research expects GNP in the FRG to rise by two percent in 1985 and the number of jobs by one-half percent. Cf "Tendenzen der wirtschaftlichen Entwicklung 1985/86" [1985-86 Economic Growth Trends] in WOCHENBERICHT DES DIW, No 25-26, 1985.

[tables on following pages]

Employment Trends in West Berlin

Wirtschaftsbereich (1)	1984					1985	1984					(2)	1985
	I	II	III	IV	Jahr		I	II	III	IV	Jahr		
	(3) 1000 Personen						(4) Veränderungen gegenüber dem Vorjahr in vH						
Land- und Forstwirtschaft (5)	2,4	2,4	2,4	2,4	2,4	2,4	-	-	-	-	-	-	-
Produzierendes Gewerbe (6)	255,6	257,3	260,8	261,0	258,7	258,0	- 0,2	- 0,2	0,4	1,4	0,3	0,9	
(7) Energie, Wasserversorgung	11,4	11,4	11,5	11,6	11,5	11,5	1,8	1,8	1,8	1,8	1,8	0,9	
Verarbeitendes Gewerbe	185,4	185,0	186,9	188,1	186,3	188,6	- 2,2	- 1,8	- 0,5	0,8	- 0,9	1,7	
Baugewerbe	58,8	60,9	62,4	61,3	60,9	57,9	6,1	4,5	2,8	3,4	4,2	- 1,5	
Handel und Verkehr (8)	170,2	170,0	170,5	170,9	170,4	170,8	- 0,9	- 0,2	0,1	0,5	- 0,1	0,4	
Private Dienstleistungen (9)	160,2	161,2	163,5	163,5	162,1	162,0	0,6	0,6	0,7	0,9	0,7	1,1	
Unternehmen insgesamt (10)	588,4	590,9	597,2	597,8	593,6	593,2	- 0,2	0,0	0,4	1,0	0,3	0,8	
Staat, priv. Organ. o.E. (11)	246,5	248,0	248,4	249,9	248,2	249,8	1,6	1,5	1,4	1,5	1,5	1,3	
Wirtschaft insgesamt (12)	834,9	838,9	845,6	847,7	841,8	843,0	0,3	0,4	0,7	1,1	0,7	1,0	
Erwerbstätige (13)							- 0,4	- 0,2	- 0,2	- 0,1	- 0,2	0,1	
Bundesrepublik													

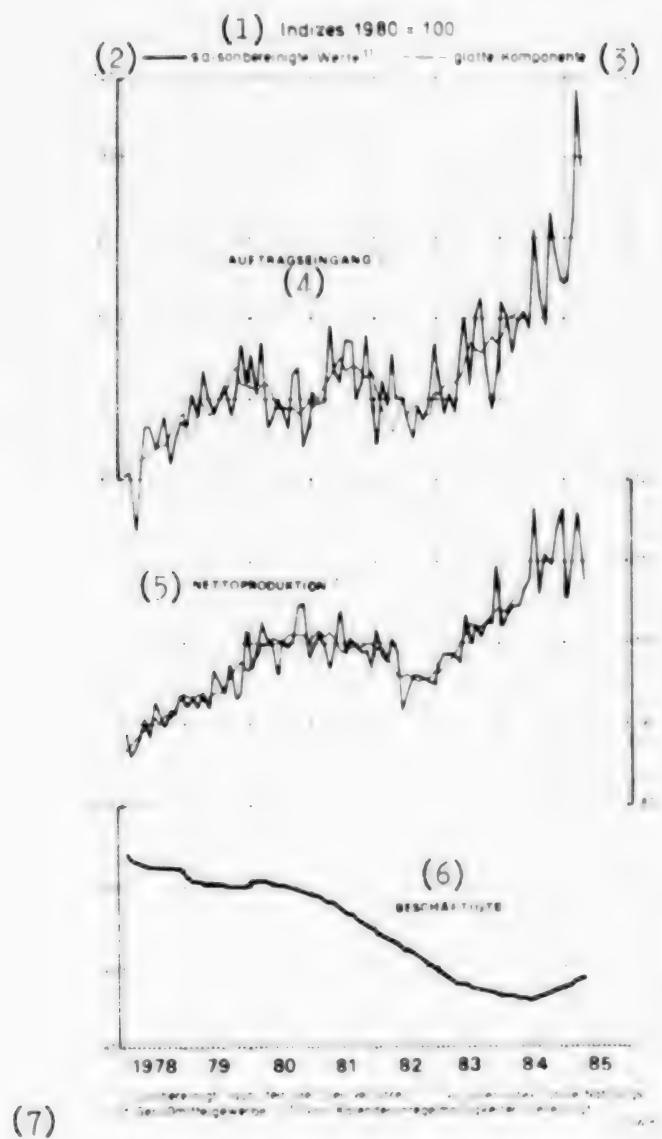
1) Die hier dargestellten Daten beruhen auf dem Inlandskonzept; dabei sind die Beschäftigten bei ausländischen Vertretungen und bei den alliierten Streitkräften nicht mitgezählt. Nach dem Inländerkonzept liegt die Zahl der Erwerbstätigen in Berlin (West) um knapp 13 000 höher.

Quellen: Statistisches Bundesamt; Statistisches Landesamt Berlin; DIW. (15) (14)

Key:

1. Sector of economy
2. Year
3. In thousands
4. Percent change against preceding year
5. Agriculture and forestry
6. Industrial production
7. Energy, water supply, processing industry, construction
8. Commerce, transportation
9. Private service industry
10. Total industry
11. Government, private organizations
12. Total economy
13. FRG gainfully employed
14. Above figures based on domestic statistical formula, i.e. persons working for foreign employers and Allied forces not included. Based on this formula, West Berlin job figures are about 13,000 higher.
15. Sources: Federal Statistical Office; Berlin Statistical Office; DIW

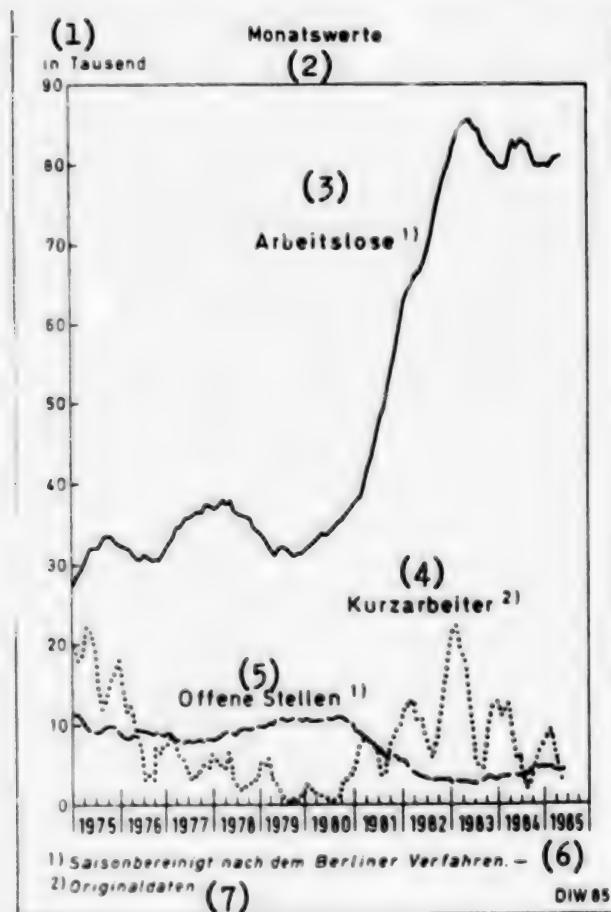
Orders Received, Net Production, Employment in West Berlin Processing



Key:

1. 1980 index = 100
2. Seasonally adjusted figures
3. Actual figures
4. Orders received
5. Net production
6. Jobholders
7. (1) Seasonally adjusted, based on Berlin formula; (2) volume index, not including food and beverage industry; (3) adjusted for calendar irregularities

Jobless, Part-Time Workers, Job Openings in West Berlin



Key:

1. In thousands
2. Monthly figures
3. Jobless
4. Part-time workers
5. Job openings
6. Seasonally adjusted, based on Berlin formula
7. Original data

Orders Received, Net Production, Jobholders in West Berlin, FRG
Processing Industries

(2)	Verarbeitendes Gewerbe 2		(3) Chemie		(4) Maschinenbau		Straßenfahrzeuge		Elektrotechnik		Buromasch., EDV		Ernährung		Total		Veränderungen gegenüber dem Vorjahr in vH											
																	(5)	(6)	(1)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)
	Berlin (West)	Bundesrepublik	Berlin (West)	Bundesrepublik	Berlin (West)	Bundesrepublik	Berlin (West)	Bundesrepublik	Berlin (West)	Bundesrepublik	Berlin (West)	Bundesrepublik	Berlin (West)	Bundesrepublik	Berlin (West)	Bundesrepublik	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18)	(19)	(20)	(21)	(22)
1984																												
1. Vj.	8,5	8,7	3,4	13,3	4,0	7,4	21,8	1,2	12,8	10,2	2,4	30,0	
2. Vj.	5,9	5,1	1,8	7,7	-14,4	9,2	-14,3	-4,0	12,0	8,0	40,8	19,4	.	.	.	.	.	.	.	.	.	.	.	.	.	.
3. Vj.	6,4	7,0	-3,8	4,8	10,2	13,9	20,9	10,2	11,6	15,6	22,1	18,0	.	.	.	.	.	.	.	.	.	.	.	.	.	.
4. Vj.	11,4	4,4	10,9	2,5	1,1	5,8	-3,0	7,6	15,1	7,8	33,5	19,4	.	.	.	.	.	.	.	.	.	.	.	.	.	.
1985																												
1. Vj.	13,7	3,2	13,3	2,2	-4,5	10,9	-7,7	6,0	-1,6	5,6	205,5	30,1	.	.	.	.	.	.	.	.	.	.	.	.	.	.
April	17,8	10,9	36,7	7,9	5,9	23,0	-10,3	29,1	20,0	9,8	48,3	26,3	.	.	.	.	.	.	.	.	.	.	.	.	.	.
1984																												
1. Vj.	5,3	5,6	7,0	9,4	-12,1	-3,0	15,2	11,4	1,4	8,8	15,7	16,7	1,5	0,5	0,9	3,5	.	.	.	.	.	.	.	.	.	.
2. Vj.	6,1	-1,4	3,8	4,9	-9,2	-1,2	-29,8	-26,4	10,6	3,8	26,3	24,8	6,9	1,9	15,4	0,3	.	.	.	.	.	.	.	.	.	.
3. Vj.	9,9	4,3	8,5	5,6	-3,6	2,5	21,2	7,4	8,0	7,8	35,0	29,1	10,8	-1,2	12,7	1,3	.	.	.	.	.	.	.	.	.	.
4. Vj.	8,2	5,3	7,1	1,9	-0,3	2,9	7,5	7,9	6,6	10,3	35,2	40,8	7,6	4,1	16,7	5,8	.	.	.	.	.	.	.	.	.	.
1985																												
1. Vj.	6,8	3,7	10,8	0,9	12,6	7,6	-7,6	5,9	13,3	9,9	-10,7	23,7	13,1	2,6	12,8	10,2	.	.	.	.	.	.	.	.	.	.
April	2,3	6,8	10,1	5,9	4,7	7,6	-8,8	8,4	-0,3	16,3	5,6	25,7	11,5	3,9	10,6	11,6	.	.	.	.	.	.	.	.	.	.
1984																												
1. Vj.	-2,8	-2,0	2,8	-0,8	-9,2	-3,8	-5,7	-0,4	-4,1	-1,0	1,1	0,9	-2,0	-2,1	1,9	-4,9	.	.	.	.	.	.	.	.	.	.
2. Vj.	-2,1	-1,3	3,5	-0,1	-7,8	-3,0	-5,1	0,3	-1,9	0,4	3,2	2,2	-1,9	-1,6	-1,8	-4,9	.	.	.	.	.	.	.	.	.	.
3. Vj.	-0,8	-0,6	3,8	0,5	-5,9	-2,1	-3,0	1,2	0,5	1,4	6,1	5,3	-0,8	-1,2	1,1	-3,5	.	.	.	.	.	.	.	.	.	.
4. Vj.	0,6	-0,1	3,4	0,8	-4,4	-1,3	-1,0	2,0	2,8	2,7	10,7	7,6	0,3	-0,8	1,5	-2,5	.	.	.	.	.	.	.	.	.	.
1985																												
1. Vj.	2,0	0,7	3,0	1,1	-3,9	0,4	-1,9	2,2	5,3	4,1	12,0	6,2	-0,1	-0,6	1,9	-8,7	.	.	.	.	.	.	.	.	.	.
April	2,9	1,0	3,1	1,4	-1,9	1,3	-1,9	2,1	6,2	4,9	14,1	6,9	-1,2	-1,1	3,9	-10,5	.	.	.	.	.	.	.	.	.	.

1) Einschließlich Berlin (West).- 2) Betriebe mit 20 und mehr Beschäftigten. Auftragseingang ohne Nahrungs- und Genussmittelgewerbe.- 3) Preisbereinigt.-

4) Arbeitstätiglich.- 5) Nach fachlichen Betriebsteilen.

Quellen: Statistisches Bundesamt Wiesbaden; Statistisches Landesamt Berlin; DIW. (17)

Key:

1. Percent change against preceding year
2. Processing industry
3. Chemicals
4. Machinery
5. Vehicles
6. Electrical industry
7. Office, data processing equipment
8. Food
9. Tobacco
10. West Berlin
11. FRG
12. Orders received
13. First quarter

[key continued next page]

14. Net production
15. Jobholders
16. (1) Including West Berlin; (2) firms with 20 or more employees; orders received, not including food and beverage industry; (3) price-adjusted; (4) by workdays; (5) based on industrial sectors
17. Sources: Federal Statistical Office, Wiesbaden; Berlin Statistical Bureau; DIW

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ECONOMIC

FEDERAL REPUBLIC OF GERMANY

MEMBERSHIP GAINS, LOSSES INDICATE CHANGING UNION LOYALTIES

Bonn DIE WELT in German 9 Jul 85 p 9

[Article by Guenther Bading: "DGB Lost One Percent of Membership—42.2 Percent of Work Force Is Union-Organized"]

[Text] Bonn—Between 1981 and 1984, the German labor unions lost some three percent of their membership. This is the result of a study conducted by the Institute of German Industry (IW) in Cologne. In 1984 alone, all the German unions, including the DGB, the DAG and the Government Employees Association, lost 85,429 members or about one percent of the total number of organized blue and white collar workers. According to the institute report, 42.2 percent of all wage earners are union members at this time.

The "big loser" in 1984, the institute says, was the DGB which lost 1.1 percent of its members, numbering 85,567 fewer members than in 1983. The 17 member unions still have a total membership of 7.7 million. Only four of these—among them the Chemical Workers Union, known for its moderate and responsible stand on labor contracts—were able to add to their membership in 1984. The Chemical Workers' membership rose by 2,900 during that time period. In its house organ GEWERKSCHAFTSPOST, the union reports 21,680 new members for the five months of this year, which adds up to 3,052 actual new members when those quitting the union or switching jobs are figured in. The 1.5 percent or 37,911 membership loss of the Metal Workers Union was above the general average; but that union still remains the numerically strongest member union of the DGB with about 2.5 million members. The institute believes that the membership loss was due to the union's 1984 stand on shortening the work week which met with the disapproval of a large number of workers.

The Christian Labor Union Federation (CGB) registered a gain of 2.2 percent. The 6,558 new members raised its overall total to 306,329. "Many workers who turned their back on the Metal Workers Union in 1984," the institute report concludes, "apparently found a new home in the CGB."

Slight gains were also registered by the DAG, which has been competing with the DGB in the white collar field. It added 0.1 percent to its membership

in 1984 and now represents a total of 497,724 wage earners. The German Government Employees Federation (DBB), on the other hand, lost 0.9 percent or a net of 6,789 members.

While union membership generally is declining, the number of female union members is growing. Last year, women made up 23.1 percent of the total union membership as against 22.8 percent a year earlier. Today, one out of every four working women is a member of a labor union. The corresponding figure in 1970 was 18.2 percent.

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ECONOMIC

FEDERAL REPUBLIC OF GERMANY

FISHERY CONSORTIUM, ARBED STEEL SUBSIDIES TERMED EXCEPTIONS

Munich SUEDDEUTSCHE ZEITUNG in German 3 Jul 85 p 23

[Article by "hen": "Government to Go Slow on Future Subsidies"]

[Text] Bonn—Minister of Finance Gerhard Stoltenberg has said that the government intends to go slow in the years to come in granting new subsidies to individual branches of industry. The annual reduction of subsidies for industry of some 6.5 percent contained in the financial plans up to 1989, the minister said, must not be undermined through the granting of new subsidies. In a press briefing, Stoltenberg said that such subsidies would only be considered to a very limited extent. The two examples cited by him were a possible government contribution to payment of Arbed Steel's debts and the provision of seed money for the establishment of a German high sea fishery consortium.

As far as the fishery consortium is concerned, Stoltenberg said, the government is waiting first of all for submission of a viable plan by the participating fishing companies before making a decision on whether to approve the subsidy. One of the provisos is that the fishing fleet, the purchasing cost of which is already being subsidized, is brought into the consortium at book value. For another thing, the government expects the littoral Laender to make an appropriate contribution of their own to the consortium. Only under these conditions would the government extend a start-up subsidy in accordance with EC regulations; but with the understanding that it should on no account be turned into a permanent subsidy for the German high sea fishing industry. According to Stoltenberg, the participating firms (Unilever, Oetker, Ahlers and Pickenpack) have as yet not submitted a final plan for the establishment of a German fishery consortium. Efforts by Minister of Agriculture Ignaz Kiechle to get the firms to cooperate on working out a viable management concept have thus far been unsuccessful.

Dispute Among Littoral Laender

The original plan was turned down by the cabinet at the special urging of Minister of Economics Bangemann who feels that the proposed contribution of some DM 30 million by the four fishing companies is entirely insufficient. Bangemann is also worried about the fact that the financial con-

tributions offered by the two littoral Laender of Bremen and Lower Saxony are mutually exclusive because no agreement has yet been reached on where to locate consortium facilities. In addition to the fishing fleet, the new consortium is to take over one of the facilities on shore—either at Bremerhaven or Cuxhaven. According to Wolfgang von Geldern, parliamentary state secretary in the agriculture ministry, the ministry will work out a plan of its own for the establishment of the fishery consortium in spite of these problems and submit the plan to the cabinet for approval. But von Geldern called the present position taken by the four firms a factor of uncertainty, since they could at this time sell their fishing vessels on the world market at a very good price. Von Geldern will therefore be starting negotiations with the fishing companies on the basis of the cabinet's general promise of assistance.

Talks with Banks

Following the budget deliberations by the cabinet, the finance minister addressed the issue of additional subsidies for the ailing Arbed Steel Co in no uncertain terms. The cabinet was unanimous in its view, Stoltenberg said, that no further assistance for Arbed would be considered in 1986 in accordance with EC resolutions. This decision to the contrary notwithstanding, the cabinet would stand by its pledge to the Zeyer government that it would help pay off the steel firm's debts under certain conditions—with the proviso that the **banks involved are ready** to forgo payment of their claims against Arbed to a large extent. Now it is the job of Oscar Lafontaine, the new minister president of the Saarland, to initiate discussions with the banks, Stoltenberg said. "I am very much surprised that Mr Lafontaine has not told us a thing about these banks and instead is trying to pressure us in an obvious and insistent manner." The government will not yield to this pressure under any circumstances, the minister said, because it would be unthinkable for the very reason that all steel companies must be dealt with equally. Lafontaine must now see to his duties as minister president with regard to Arbed, Stoltenberg said. "Fast talk" is no way to help the firm or its employees at this stage.

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ECONOMIC

FINLAND

FOREIGN TRADE MINISTER VIEWS EUREKA CONFERENCE INITIATIVE

Paper Approves Joining Project

Helsinki HELSINKIN SANOMAT in Finnish 16 Jul 85 p 2

[Editorial: "Eureka and Finland's Strategy"]

[Text] In Finland there is reason to feel great satisfaction because our country has been accepted to join the European high tech conference that is to preliminarily deal with coordination. We apparently got started much too late in Finland. Our participation was not decided on until the last moment: The conference begins in Paris tomorrow and news of the acceptance was received last Saturday.

It is vitally important for our country to keep up with high tech development not only as an observer of developments, but also, according to our possibilities, as a provider of our own contribution, as a partner investing in research. There is no reason for us to be bashful in the company of the big fellows since the know-how and insightfulness for many technological subsectors are to be found here. Our participation in the Eureka Project is quite natural.

Finland's attendance at the Eureka conference has, however, been presented in a politically odd way here at home. The government has let it be understood that Finland is going only to inquire whether orders for the local industry here might possibly be forthcoming at the Eureka conference. So far we have not heard from the administration's representatives what activity and enthusiasm Finland will be offering its partners if and when it now gets to participate in the preliminary conference.

When Europe concentrates its ranks to assure its technological development, Finland should be ready to announce that our country is interested in the role of a science and research developer and in international cooperation in the sector. Appearing merely as a profit fisher may in future turn out to be detrimental to Finnish research and production.

It is more than appropriate for Finland to participate in the Eureka conference to which Sweden, Norway, Austria and Switzerland, countries outside the EC countries, have been invited. Then too, Finland wants to participate in the development of European high tech like, for example, information technology, robots and new materials.

Helsinki HELSINGIN SANOMAT in Finnish 17 Jul 85 p 21

[Article: "Jermu Laine on the Eve of the Eureka Conference: 'Finland Does Not Intend to Participate in Arms Technology Research'"]

[Text] According to Foreign Trade Minister Jermu Laine, Finland does not intend to participate in any West European research project the object of which is the development of arms technology. Laine nevertheless emphasized that, according to Finnish information, there will not be any such projects.

Laine gave his assurance on Tuesday as he was leaving for Paris for the conference of ministers from 17 West European countries, where the achievement of broad technological cooperation will be outlined. Known by the name of Eureka, the project will make an effort to unify West European forces in the fields of information technology, biotechnology, robots, laser technology, etc., among others.

Eureka was launched on the initiative of France 3 months ago. All 10 European Communities member nations were invited to participate and very quickly announced they would. Coming to the EC conference are Spain and Portugal as well as the EFTA countries: Sweden, Norway, Switzerland and Austria.

Finland was not immediately asked to attend. According to Laine, the delay in the invitation was because "different countries have different ways of expressing their willingness to go along with such projects."

Laine admitted that the other EFTA countries have more regular contacts with the EC at the political level as well aside from trade relations.

In Laine's opinion, it is nevertheless essential for Finland to get to participate in the first ministerial conference now. "Finland would have in any event joined later."

In Laine's opinion, Finland has certainly "made the most of its talents" as regards West European technological cooperation. Finland has acted through EFTA and on behalf of EFTA has these past few months approached the EC for the purpose of offering its own contribution and itself profiting from the EC's own technology projects.

Finland Ready to Provide Funds

Laine will propose Finland's possibilities of participating in West European joint projects at the conference to be held in Paris on Wednesday. According to Laine, Finland has its know-how in robot technology, data communications and material production, among others, to offer.

The Finnish Government is ready to support Finnish firms that participate in the Eureka initiative. "The amounts and forms of support cannot yet be outlined, not before we have a little more information on Eureka."

In Paris the ministers intend to discuss the funding of the Eureka Project, focal areas and organization. France has, among other things, proposed the creation of a strong and "independent" Eureka organization.

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CSO: 3617/139

ECONOMIC

FINLAND

MINISTRY URGES STEPS TO CONTROL INFLATION WITH HIGH GROWTH

Helsinki HELSINGIN SANOMAT in Finnish 18 Jul 85 p 23

[Article: "Finance Ministry Advises That Government Expenditure Increases Be Cut to Less Than 1 Percent: 'Inflation Must Be Curbed in the Budget!'"

[Text] In the economic review published by the Finance Ministry on Wednesday it was maintained that the growth in production based on exports to the West is slackening.

The growth rate of the national economy has, however, remained very close to about 3 percent these past few years and, according to the ministry, growth has up to now continued to be just as stable.

Overall production is estimated to be 3.5 percent greater this year than last year.

At the ministry they also believe that we will be able to keep the recession anticipated for 1987 a mild one.

According to a survey of Bank of Finland investments, the industrial capacity use rate will remain at almost the present level during the next one and a half years. In the ministry's opinion, this indicates that the industrial economy will not yet significantly slacken next year either.

The most important thing is to get inflation to slow down, they assert in the economic review. In the ministry's opinion, combatting inflation presupposes that the increase in government expenditures in next year's budget is less than 1 percent without debt service payments. Then, according to the ministry, government payments will not have to be raised very much and the tax rate can be reduced.

They also expect the rise in consumer prices to slow down considerably toward the end of the year. Because of that, the government's goal, reducing the inflation rate to 5 percent by December, will, according to the Finance Ministry, be practically attainable.

Hikes in wages, rents and government prices and fees raised the consumer price index 4.3 percent between December and June. No new hikes or cost pressures from import prices are anticipated by the end of the year, so they estimate that the index will rise only 1 percent between June and December.

On the other hand, according to the ministry, the wage-earners' earnings level index seems to be rising more this year than it was thought it would at the start of the year, possibly by 8 percent.

They predict that unemployed workers will average 6 percent of the labor force for the whole year and unemployment has not declined since last year.

No significant adjustments have been made at the Finance Ministry in the economic development forecasts made last winter and spring. In the ministry's opinion, the economic policy report outlined by the government in May will be valid in the future too as a basis for decisions.

Metals Will Advance During Second Half

Exports for the whole year are expected to increase from 4 to 5 percent.

After a slow first half of the year, export volume has again begun to grow. Metal industry product exports in particular are expected to increase considerably during the second half of the year since shipments to the Soviet Union are increasing. As concerns the metal industry, it is estimated that exports to the West will also slightly increase.

The growth in import volume that began at the end of last year has, according to the review, continued. During the first half of the year import deliveries increased 4 percent in value in comparison with last year. Among other items, this growth was in imports of crude oil, metal industry raw materials, consumer goods and industrial machines and equipment.

Capital goods imports are expected to continue to increase.

The rise in export and import prices has slowed down and it is predicted that the foreign trade balance will remain roughly the same this year. It is anticipated that the trade balance will show a sizable surplus and the foreign trade balance will be in balance.

Investments Reviving

According to the Finance Ministry, fixed investments, which declined by a couple of percentage points last year, are reviving. In the economic review they assert that the growth in industrial investments that began last year has appreciably accelerated this year. Commercial investments are also increasing.

According to the economic barometer published by the Industrial Confederation last week, growth in industrial investments has been rather slight.

Growth in private consumption has accelerated after a sluggish first half of the year. Travel abroad increased, as did auto sales. It is estimated that private consumption for the whole year increased 3 percent, which is as much as households' purchasing power.

Factory industry production per workday was from 3 to 4 percent greater in January-May than a year before. In the metal industry production increased at a faster rate than this, but they predict that growth will be clearly slower in the other factory industry sectors, especially in the metal industry.

The Finance Ministry predicts that the growth of industrial production will slightly accelerate during the second half of the year. Economic prospects and the volume of orders have worsened, particularly in the metal industry; on the other hand, in the construction and chemical industries prospects have slightly improved, they assert in the review.

The real increase in government expenditures is estimated to be 2.5 percent when debt amortizations are not taken into account. The gross funding needs of the national economy amount to about 10 billion markkas, which is somewhat more than it was last year.

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ECONOMIC

GREECE

PAPANDREOU URGED TO DEAL WITH ECONOMIC ISSUES

Athens TO VIMA in Greek 14 Jul 85 p 5

Article by Kh. K. Bousbourelis: "The Hour for the Hard Truth"

Excerpts With the prime minister in Kerkyra since last Thursday and members of the "temporary" government in a period of anticipation, the country is officially on summer vacation that will last until the swearing in of the new ministers at the end of the fourth week of July.

In this way, then, during the month of August with Athens empty and the Greeks in the countryside, the second 4-year term of office of Mr Andreas Papandreu will definitely start rolling.

Since it is both reasonable and legitimate for the prime minister to look at the laying of foundations, as of right now, of those conditions that would ensure him a third 4-year term of office, it is both legitimate and reasonable for one to conjecture that many and distasteful things must be announced that nevertheless must be accomplished "here and now."

"It is often said that in politics there are things that happen but are not talked about and other things that are talked about but do not happen. This saying is unimaginable cynicism when the time factor is subtracted. It is simply realistic when it is added. So, there are things --proper measures but unpopular-- that are happening 6 months after the elections but not 6 months before the elections, just as there are things that are happening and things that might happen but do not happen in the long run."

The above opinion was published in this column 8 months before the recent elections and a few days after last year's summer government reshuffle.

The Hour of Truth

The rearrangement of executive authority during the summer, i.e. the establishment of the definite shape for the government of the second 4-year term of office does have one great advantage: since the move is scheduled to take place precisely right in the middle of summer, with the minds of the Greeks on nothing but the seashore, perhaps this is the most suitable time for some hard truths to be spoken and those inevitable things that although they are not scheduled to take place now, so soon

after the elections, they would not be able to be realized later on when there will be no room for putting off, when they will be imposed through the pressure of things and with much greater political cost.

At this time, Mr A. Papandreu does not have to face political problems. The government opposition, either from the Right or the Left, has its own problems and, indeed, just 2 months ago the Greeks rejected the Right as an alternative solution and they did not judge the Left as indispensable in the role of partner in Change.

Hope and Approval

Now, of course, in summer, what can we expect?

It would not be an exaggeration for one to admit that what is hoped for is a repeat of the masterly turn that started out with the surprise of 9 March and ended with the victory of 2 June. A turn that would avert the unfavorable prospects in economic affairs that are beginning to be seen because the whole pollution cloud /problem/ lies primarily here much more menacing than the one that the Atheneans have to deal with on a daily basis.

This is the hope, without, however, this hope being the only one that is expected. Because, in the long run, the Greek people are not so naive not to have digested the fact that economic vacations have to come to an end and the accounting begins. The vertical relentless light of the summer sun does not permit many illusions. There is always the hope that with some turn, Mr A. Papandreu will somehow succeed in avoiding unpleasant matters. There is, however, the acceptance of this lawful necessity that is called "paying the bill" in "popular" centers. Everything points out that the one who will present it will be the czar of the economy, Mr Gerasimos Arsenis. Everthing, except for the unforeseen, a second surprise, comparable to the previous one, that could be in the process of being hatched right at this moment on the shores of Kerkyra.

5671
CSO: 3521/308

ECONOMIC

GREECE

ASDIK, EEC UNEMPLOYMENT FIGURES SAID TO DIFFER

Athens 1 KATHIMERINI in Greek 11 Jul 85 p 7

[Text] The unemployment rate is close to 20 percent in our country while the corresponding rate in the EEC countries, as a whole, does not exceed 13.5 percent.

This is the conclusion reached by the Free Civil Servants Trade Union Movement (ASDIK), which points out that the government estimates the unemployment rate to be approximately 10 percent because it includes all of the salaried workers while it does not show unemployment, which is nevertheless significant, among the self-employed and businessmen.

ASDIK adds that the number of 300,000 unemployed salaried workers in the country is one of the highest in the world and demonstrates the deep crisis in which the Greek economy finds itself.

This fact, pointed out in the statement, makes the situation of the civil servants more tragic as a great many of them have been forced to resign lately due to harassment and cannot accumulate sufficient service time to be entitled to a pension.

EEC's Data

According to a 1983 special EEC study, the jobless in our country numbered 229,000 in relation to the 3.5 million individuals who constitute the active population.

An APE [Athens Press Service] cable from Brussels reports the following:

"According to data made public yesterday by the Statistical Service of the European Commission, it was determined (by research conducted in 1983 in view of the hiring of labor in its member countries) that the official tables and statistics in the Community are often at a significant variance with reality as regards the number of employed and the percentage of unemployment.

Thus the overall percentage of unemployment in the Community of Ten amounted to 8.9 percent in the spring of 1983, while the unemployment percentage during the same period, based on the registered unemployed, reached 10.1 percent.

Still, during the same period, the percentage of registered unemployed in Greece and in Luxembourg was clearly lower than the one determined by the Community's research.

More specifically for Greece, the data determined by this study are:

Employed individuals: 3,509,000 (total of men and women)

Part-time employees: 227,000 (88,000 men, 139,000 women)

Unemployed: 220,000 (147,000 men, 152,000 women)

Registered unemployed: 35,000 (24,000 men, 11,000 women)

Seeking employment for the first time: 107,000

Working potential: 3,807,000

Net working population: 3,807,000

Students: 665,000

Individuals age 14 and under: 2,023,000

Percentage of employed in relation to the population: 47 percent

Unemployment percentage: 7.8 percent"

9731

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ECONOMIC

GREECE

SMALL DROP IN INFLATION

Athens I KATHIMERINI in Greek 12 Jul 85 p 7

[Excerpts] Despite the fact that during June the rise in prices went up at a relatively faster rate, inflation seems to have run at a slightly slower rate for the entire 6-month period. Thus, for the entire first 6-month period, the rate of inflation was 17.8 percent as compared to 18.6 percent for the same period last year. The responsible officials of the Ministry of National Economy appeared to be relatively disappointed by the developments of the price index, first, because the fight against inflation is carried out at a very slow pace and, secondly, because the 16 percent goal set by the government for this year is still far off.

The Statistical Service announced that the consumer price index for the month of June 1985, based on a comparison for 1982 as equalling 100 percent, is as follows and, more specifically, the price index showed these changes:

- a. The June 1985 index, as compared to the index of the previous month, May 1985, showed an increase of 1.8 percent as compared to an increase of 1.6 percent registered in the same comparison last year,
- b. The June 1985 index compared to the June 1984 index showed an increase, within the 12-month period, of 17.2 percent as compared to an increase of 19.2 percent registered during the same index comparison for the year 1984 to that of 1983.
- c. The average level of the index for the months of January-June of the current year compared to the average level of the corresponding period in 1984 showed an increase of 17.8 percent as compared to an increase of 18.6 percent during the same comparison of the indexes for the year 1984 to that of 1983.
- d. The index within the January-June period of the current year (comparison of June 1985 index to December 1984 index) registered an increase of 9.3 percent as compared to an increase of 10.2 percent registered during the corresponding 1984 period.

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CSO: 3521/296

ECONOMIC

GREECE

HUGE LOSSES TO TOURISM FROM TRAVEL ADVISORY

Athens I KATHIMERINI in Greek 14-15 Jul 85 p 1

[Excerpts] It is estimated that our country will lose more than 500 million dollars of precious foreign exchange due to the cancellation of arrivals of American tourists as a result of the "Reagan advisory."

On the other hand, according to estimates by reliable tourist circles, if the contracts for 1986 with the American tourist agents are not signed on time (by the end of July) there is a possibility for this amount to exceed one billion dollars next year, an amount that the government will, naturally, seek to cover with a loan from abroad.

In the meantime, the cancellations continue and mainly involve large groups. There has been observed, in the past few days, some drop in their number, but the general impression is that even if the "travel advisory" is lifted (something that is not excluded might happen by the end of July) there will be other cancellations anyway both for this season and for that of 1986. This is due to the fact that, in the meantime, the Americans have changed their destination plans.

As is known, the cruise ships were the hardest "hit" by the cancellations (they are the most profitable source of income from tourist exchange) as well as the luxury hotels of Athens. Typical of the drop in activity that is observed in the above-mentioned hotels, which cater mainly to US guests, is the fact that they granted considerably lower rates (less than half) to the large Athenian tourist agencies for the purpose of attracting European tourists. However, it is only natural that something like this hits the lesser categories of hotels because the guests--mainly from Europe--will be able to find lodgings at more luxurious hotels for the same money.

It is to be noted that the first cancellations were made by US tourist agencies owned by Jews (the tourist agencies network in the Eastern United States is controlled mainly by Jewish interests).

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ECONOMIC

GREECE

BRIEFS

INCREASED USE OF GREEK FLAG-- The average age of vessels being registered in Greek registers of merchant shipping is 2 years while that of vessels being dropped is over 2 years. This data shows that Greek shipowners are preferring the Greek flag for their newly-acquired vessels or those that are under construction. Specifically, according to the latest statistics, Greek shipowners hoist the Greek flag on 90 percent of those vessels built in foreign ports as soon as they are launched. Moreover, according to official data of the statistical service of the Ministry of Merchant Marine, the total strength of the Greek merchant fleet as of 31 March was 2,715 vessels with a total capacity of 31,270,033 register tons as compared to 2,740 vessels with a total capacity of 31,657,875 register tons at the end of February 1985. At the end of March, the number of Greek-owned vessels that had contracted with the Maritime Disabled Seamen's Fund was 375 with a capacity of 6,261,356 register tons. The overall strength of the Greek-owned fleet as of last March was 3,050 vessels with an overall capacity of 37,531,389 register tons. In accordance with the breakdown, in March the Greek fleet numbered 1,726 freighters, 378 tankers, 334 passenger ships and 277 various other types of vessels (tugs, fishing vessels, salvage vessels, etc.). /Text/ /Athens TO VIMA in Greek 20 Jul 85 p 17/ 5671

CSO: 3521/318

ECONOMIC

SWEDEN

ELECTION VICTOR TO FACE LIMITED MANEUVERING ROOM IN POLICIES

Frankfurt/Main FRANKFURTER ALLGEMEINE in German 27 Jul 85 p 9

[Commentary by Horst Bacia: "Swedes Must Decide"]

[Text] The good old days are gone when the Swedish social democrats seemed to have a lock on the government. In just about 2 months, there will be elections here and there is no telling whether Olof Palme will retain his post as minister president. Only 3 years ago (the Swedish legislative sessions are that short) the social democrats regained power and now they have to start worrying all over again. In fact, it is conceivable that the conservatives will return to power and the name of the man most likely to head a conservative government is Ulf Adelsohn.

According to the polls, the strength of the center parties is about equal to that of the social democrats and the communists, on whose support Palme's minority government must frequently rely. The trend is actually in the social democrats' favor. Early this year, they were far behind the opposition but have since recaptured the sympathy and confidence of the voters—many of whom (in fact, more than is usually the case) are still undecided, however. One thing that is fairly certain is that it will be a close election this coming 15 September.

During the campaign there has been a lot of talk about imminent or at least necessary "changes in the system." The two largest political parties—the social democrats and the conservatives—have turned economic policy, i.e. the future of the "Swedish model" into the main campaign issue. A centrist government, headed by Adelsohn, would dismantle the welfare state, the social democrats maintain. The conservatives, for their part, are calling for fundamental change, for drastic tax cuts, a cut in government expenditures, the return of social services and institutions to the private sector and for more freedom for the initiative and responsibility of the individual in general. The two remaining center parties are having a difficult time preserving an image of their own in the face of this polarized debate.

On the one hand, they adopted some joint resolutions with the conservatives concerning fiscal and economic policy. They agree on the need for tax cuts, on a reduction of the budget deficit by means of economy measures and on the sale of state-owned enterprises as well as the repeal of the controversial employees' fund. On the other hand, they are trying to convince the voters that the economy measures and other drastic steps they propose will not result in a fundamental transformation of the system along conservative lines. In other words, the conservative parties are waging the campaign jointly as well as against one another and former minister president Faell-din, the head of the Center Party, has let it be known that he will not take part in the government under all circumstances. All of a sudden, one is reminded of the years between 1976 and 1982 when the conservatives gained a majority in parliament and took over the reins of government for twice 3 years and did not really know what to do with it.

The question is what changes would come about, if the social democrats really did have to step down a second time. To be sure, the conservatives are better prepared in terms of ideas this time. And the Conservative Party, which is the strongest of the center parties, would certainly assume the leadership role. Its ideas have been appealing to the voters more and more so that they may now expect to receive between 25 and 30 percent of the total vote. But the party, which characteristically changed its name from "moderate assembly party" 15 years ago, is still far removed from having the ability of carrying out its programs unflinchingly. Without the support of the Liberal People's Party and above all that of Faell-din's Center Party, which calls itself the party of the "little people," nothing will get done. It is already clear that a conservative majority, if it did come about, would be left with little room to maneuver—not only because of external constraints but also because of internal limitations, so to speak.

And if Palme stayed in office—what would happen then? The social democrats' campaign slogan is that Sweden is "on the right road" and should not depart from it. The government, in fact, can point to a number of achievements attributable in large part to its ebullient Finance Minister [Kjell-Olof] Feldt, who has long since become the dominant figure in domestic politics. He is also thought of highly in business circles and Palme, who has a weakness for world politics, has let him have his way. The Feldt recipe is quickly explained. He is as pragmatic as can be as a representative of a political party with the ideological background of the Swedish social democrats. He will not permit any cuts in social services but is equally opposed to raising government expenditures. By devaluing the Swedish crown by 16 percent, he has also tried to improve the competitive position of Sweden's industry and to stimulate economic growth.

There is no denying the short-term gains achieved by Feldt's policies—with the proviso, however, that the worldwide economic recovery, the dollar exchange rate and the adjustments and restructuring programs instituted by Swedish industry on its own during the recent crisis years have contributed a great deal to these gains as well. Economic growth during the past 2 years has been 2.5 and 3 percent respectively. Unemployment stands below three percent, not counting the job programs. The huge budget deficit, a legacy of the conservative years when it jumped from just 4 billion to almost 87 billion Swedish crowns, has gradually been reduced; but it still stands at a sizable 60 billion crowns in this fiscal year. By exerting pressure on business and labor, the government has placed severe limitations on wage and salary hikes and has tried to cut inflation. All that makes for a quite a record. But is it enough? Is this really "the right road?"

One is inclined to have one's doubts—because the near future no longer looks quite so rosy. Feldt did not achieve his main goal of cutting inflation down to three percent this year. Between January and May alone, prices rose by almost four percent. Wages and salaries, which were set according to the "wage policy of solidarity" model, a labor union holy cow, for all sectors of the economy without regard to profits and output are still high. Inflation is gradually eroding the competitive edge gained as a result of the currency devaluation. Thus, prospects for continued economic growth are somewhat dim—and that applies to the international markets as well. Some of the experts are looking for zero economic growth as early as next year.

The social democrats have in no way attacked the problem of the huge public sector which has not only grown by leaps and bounds because of the welfare bureaucracy but which has also provided work for many people who would otherwise be without a job. But which government would not overstrain itself, if it tried to tackle the Herculean task of freeing the Swedish labor market of this outsized establishment. Since even the most ingenious tricks will not suffice to squeeze any more money out of the Swedish citizen-taxpayer, there is only one way in which any future government, of whatever coloration, can hope to deal with the budget deficit which is still far too great and that is by saving money. To be sure, there is not much room for maneuvering. But since a change of course, even by just a few degrees and maintained for a certain length of time, will lead into a different direction, it may not be entirely unimportant after all whether the socialist or the non-socialist parties come out ahead on election day.

9478
CSO: 3620/447

ECONOMIC

TURKEY

IRAQ'S GROWING IMPORTANCE IN EXPORTS DETAILED

Istanbul CUMHURIYET in Turkish 26 Jun 85 p 9

[Text] Iraq has become Turkey's fastest growing export market. In the first 3 months of this year exports to that country rose by a record 47.7 percent to \$269.9 million. As is known, last year exports to Iraq leaped by 192 percent compared to the previous year and reached nearly \$1 billion.

This rapid growth made Iraq once again Turkey's second largest export market. In the first 3 months of 1984, Iraq was ranked fourth behind the FRG, Iran and Switzerland in Turkish exports. This year, Iraq has climbed to second place behind the FRG. During the said period, exports to the FRG declined by 8.5 percent compared to the same period last year and dropped to \$319 million. While exports to Iran rose at a slow pace of 4 percent, there was a substantial decline in exports to Switzerland. Exports to Switzerland declined from \$206 million in the first quarter of 1984 to \$35 million in the corresponding period this year. It is reported that fictitious exports played a role in this decline.

Meanwhile, exports to the United States, one of Turkey's most distant markets, rose by 33.6 percent to \$136 million, while exports to Italy declined by the same amount. Exports to Italy dropped from \$131 million in the first 3 months of 1984 to \$84 million in the corresponding period this year.

It is seen that the share of Islamic countries in Turkish exports is once again on the rise. The share of Middle Eastern countries in Turkish exports rose from 36.7 percent in the first quarter of 1984 to 42 percent in the corresponding period this year. In the first 3 months of this year the value of goods sold to Middle Eastern countries amounted to \$747 million, compared to \$680 million in the corresponding period of 1984.

Conversely the share of OECD countries in Turkish exports declined by a corresponding amount.

Turkey's Largest Export Markets (in millions of dollars)

<u>Country</u>	<u>1984</u> <u>(first 3 months)</u>	<u>1985</u> <u>(first 3 months)</u>	<u>Percent</u> <u>change</u>
FRG	349.3	319.1	-8.5
Iraq	182.7	269.9	47.7
Iran	216.6	225.3	4.2
United States	102.2	136.5	33.6
Italy	131.2	83.7	-33.6
Saudi Arabia	69.9	83.4	19.3
United Kingdom	61.6	80.5	30.7
Holland	57.4	71.3	24.2

9588
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ENERGY

FINLAND

HOMEOWNERS TURNING TO ELECTRICAL HEATING INSTEAD OF OIL

Electricity Cheaper Than Oil

Helsinki HELSINGIN SANOMAT in Finnish 16 Jul 85 p 21

[Article by Hannu Sokala: "Electricity Won Competition in Heating Single-Family Houses--Only Three Out of One Hundred Chooses Oil Furnace. Oil Heating Was Not the Right Choice After All"]

[Text] The big guy is worried. In spite of Leo Lastumaki, the market share of heating oil continues to decrease.

Oil has clearly lost the contest with electric heating. Last year three out of one hundred builders of single family houses put their trust in oil.

The oil industry claims that other consumers are financing electric heating by paying too much for their own electricity. Moreover, the government is suggesting that the increase in the use of electric heating must be restricted in order to protect foreign trade.

The previous turning point in heating was in the 1950's and 1960's when oil took over the market from domestic fuels.

In the 1960's and 1970's oil was the sovereign ruler on the heating market. Even seven years ago, over 60 percent of new single-family houses were heated with oil while electricity was chosen for only one out of five houses.

In this decade the competition between oil and electricity has been tough. The oil industry and electric utilities have attracted new customers with enormous advertising campaigns, free oil, free electricity and even bank loans.

The electric industry has been more successful in the game: during all of the 1980's, the share of oil heating in new single-family houses has decreased. In the past 2 years, only three out of one hundred builders of singlefamily homes have indicated in their building permit applications that they will choose oil.

Electricity Is Cheaper Than Oil

Electric heating has won over consumers mainly because of its easy use and economy. Both the State Technological Research Center [VTT] and IVO [Imatran Voima Oy] have studied the costs of the different forms of heating. The results have indicated that oil is cheaper than electricity in heating a single-family house.

Of course the oil industry was upset about the studies, and not without reason. In the studies, oil furnaces with poor efficiency had been used.

In the spring of this year, a report was completed which looked at oil heating with a better efficiency than in the research conducted by IVO and VTT. The report, intended for internal use of the Ministry of Trade and commerce, indicates that the new way of looking at things does not change the situation: electricity still remains a cheaper heating alternative than oil.

The oil industry is quick to explain the low cost of electricity: electricity for heating purposes is sold at a reduced price, so that as many people as possible would choose electric heating for their homes.

Lindblom's Hints about Restrictions

Among other people, Foreign Trade Minister Jermu Laine has interfered with the pricing of electricity. Last November he criticized IVO saying that, with its pricing policy, IVO has enhanced the popularity of electricity at a time when it has not been sensible from the point of view of energy policy.

According to Laine, the cabinet has tried to regulate the consumption of electricity with taxes. However, IVO has not transferred the costs caused by the taxes to the consumers but, instead, has paid them out of its own pocket.

Seppo Lindblom, Minister of Trade and Industry, has not been pleased with the rising popularity of electric heating, either. In June, when outlining the energy alternatives for the next decade for the Ministry of Trade and Industry, he also referred to the popularity of electric heating.

Lindblom warned that measures may be taken to restrict the increase in the consumption of electricity for heating purposes. A possible means of restriction is raising the tax on electricity.

More Taxes in Electricity for Heating

In Finland, oil and electricity are subject to different treatment in taxation.

In addition to the tax based on the consumption of electricity, also the coal and nuclear elements used in generating electricity are subject to sales tax.

The electric industry is upset about the overlapping of the taxes on electricity, particularly since crude oil is not taxed.

Furthermore, the electric industry complains about having to pay a 16-percent sales tax on all of its investments. The construction investments in oil refining industry are tax-free; for machinery and equipment it has to pay one fifth of the full amount of sales tax.

The price of the light fuel oil used for heating includes the fuel tax, the fee for safe storage and the oil protection fee.

The taxes and governmental assessments for fuel oil have increased tenfold since 1977. In the same time period, the tax on electricity has doubled.

However, for one kilowatt hour of heat, the homeowner heating with electricity pays 2.6 pennies in taxes while the homeowner with oil heating pays one and a half pennies.

Electricity for Heating Cheaper

In Finland electricity is priced according to a so-called generating principle. The price that the consumer has to pay for his electricity includes the costs of generating the electricity.

There are many kinds of generating principles, and the utilities price the electricity used for heating according to a principle that makes the electricity for heating purposes cheap. The Central Organization of Oil Industry claims that apartment dwellers, agriculture and small industry are financing electric heating by paying too much for their electricity.

At the beginning of April, apartment dwellers paid an average of 37.9 pennies for one kilowatt hour of electricity. Farms paid 32.1 and small industry 33.2 p/kWh. The average price of direct electric heating was 25.7 pennies.

IVO has defended itself against the dumping claims by pointing out that it only sells electricity to large-scale consumers and retailers. IVO's prices are lower for electricity sold at nighttime than for daytime electricity. Therefore, it is profitable for the utilities to concentrate on selling electricity which is consumed at night.

District Heating a New Threat to Oil

A new threat to oil is a district heating system, designed for areas consisting of apartment buildings and townhouses and based on the alternate use of electricity and fuel. In the system, the heat is generated with electricity, except on the coldest winter days when oil, for example, can be used for heating.

If the district heating becomes popular, it would start a new round in the war over heating. Until now, apartment buildings have been heated with oil, either from a remote or near-by source.

During the past few years, the oil industry has invested in updating oil heating systems. The reason for that has been trying to prevent owners of old oil heating systems from switching to electricity. During the first quarter of this year, 3600 oil furnaces were updated while the corresponding figure last year was 2150.

This year it is possible, for the first time, to receive a state subsidy for the purchase of a new oil furnace. The subsidy is 1500 markkas. It is also possible to receive 500 markkas in subsidy for updating the oil burners. The deadline for applications was the end of June.

More Oil Imported and Less Consumed

The decrease in oil heating, industry's switch over to other fuels, and energy savings have drastically reduced oil consumption in Finland. In 1979 the share of oil in the total energy consumption was approximately one half. Last year it was only 34 percent.

In 1979, the consumption of light fuel oil for heating was 3.7 million tons. Last year it was 2.4 million tons.

The main portion of the Soviet imports consists of oil. According to the basic trade agreement, made for the years 1986-1990, Finland will slightly increase its oil purchases from the Soviet Union.

Finland has also committed itself to buy 1.5-2 million tons of gas oil per year while the imports, for example last year, totaled 1.3 million tons. Gas oil is a common name for diesel oil and light fuel oil, which, except for the color, are one and the same product.

Therefore, Neste has had to increase its exports. In 1979, 1.1 million tons of oil was exported; last year the exports totaled 2.9 million tons. Last year, for the first time, Neste became Finland's biggest exporter. However, Jaakko Ihamuotila, the General Manager of Neste, informs that profitable oil exports cannot be increased any more.

Last year, the exports of gas oil were slightly higher than the imports. Also, the trade is somewhat irrational in that, last year, the average import price of gas oil was higher than the export price.

Question of Government Policy

Helsinki HELSINGIN SANOMAT in Finnish 17 Jul 85 p 2

[Editorial: "Oil Still Remains a Good Alternative"]

[Text] The popularity of electricity in heating new single-family houses is a logical consequence of the advantages of electricity. Electricity is not only cheaper than oil in total costs, but it is also more convenient, easy to use, non-polluting and of domestic origin. Thus, all the arguments have been in favor of electricity when home builders have faced the choice. And, as the standard of living and the desire for comfort are rising simultaneously, the natural growth in the popularity of electricity can only be broken by government measures. Oil is a non-renewable natural resource, sensitive both to trade-policy speculations and changes in production dictated by the producers' need for money, price fluctuations caused by currency rates of exchange and, in general, to external variables quite different from the availability of electricity. The latest, best possible incentive toward the increase in the popularity of electric heating has been the environmental pollution caused by oil consumption.

Undoubtedly, it would be rather easy for the government to reverse the trend, so that it would be more favorable to oil, by assessing considerable taxes on electricity and by favoring the updating of oil heating systems in many different ways. From the point of view of trade policy, the decrease in the popularity of oil has become a nuisance and an obstacle to an increase in trade, if the attitude is taken that people have to adjust, with economic sacrifices, to even temporary demands of the structure of foreign trade. In any case, the current decreasing trend in oil prices has to be considered only temporary, even though it is impossible to predict how long it will last.

However, oil heating still has its supporters, due to the fact that, after the choice has been made in favor of oil, the switch over to modern oil heating equipment is certainly cheaper than rebuilding the whole system for the use of electricity. In this regard, the oil industry has definitely been promoting the consumer's interests and continues to do so. Since there will be a lot of users of oil heating all over the country also in the future, the present situation, reasonably serving the users of all alternatives, has to be considered appropriate. In other words, also for this reason, the government should make sure that it will not force the situation into a point where the consumers, who have made their choice either of their own accord or because of the builder, would have to suffer economic losses.

There is not agreement on the pricing basis of electricity, and its critics suspect that only after electricity has gained dominance over oil would the price of electricity rise to the level where it would match the costs and yield a reasonable profit. The best way to avoid this danger is that the oil industry continues to develop oil heating equipment and will, also in the future, offer a reasonable alternative to small consumers. A reasonable competition, for the benefit of the consumer, is definitely better than one single monopoly, governed by authorities and without an alternative. Even though oil heating now clearly seems to have lost the contest to electricity in new single-family houses, it still remains the most economic heating solution in numerous single-family houses. Keeping it as a reasonable alternative also in the future is part of the definite advantages of a market economy.

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ENERGY

FRANCE

GDF FAILS TO NEGOTIATE LOWER ALGERIAN GAS PRICE

Paris LIBERATION in French 26 Jun 85 p 26

[Article by Dominique Nora: "Algerian Gas, the GDF's Latest Luxury"]

[Text] For the French Gas Company (GDF) the surcharge on gas sold to France by Algeria is all the more conspicuous since Soviet and Dutch suppliers have lowered their rates.

"Horribly expensive and more and more out of line," are the terms employed by the GDF to describe the contract for the purchase of Algerian gas. "Everyone in the government is against it," they assert at the GDF. "But it is apparently a tabu subject for President Mitterrand." Does Laurent Fabius, who is on a visit in Algiers, have instructions to attempt to make the terms of this agreement more tractable? Last summer France obtained a reduction of 10 percent of its shipments of Algerian gas. But it could do nothing about prices: Algerian gas, which represents 30 percent of our supply, is purchased with a surcharge of some 1.5 billion francs a year. A "political" price that obliges Algiers to lower prices in other sectors, the defenders of the agreement maintain.

The fact remains that on a declining world market the Algerian contract becomes all the more "conspicuous" since France's other two chief suppliers have agreed to reduce their prices. Last March Dutch gas (24 percent of French purchases) dropped by 8 percent: a saving of 800 million francs in a full year for the GDF. All the more so since the bill is now in ECU [European currency units]. "It's not because they love us so much," they emphasize at the GDF. "the Dutch are making a little short-term sacrifice to maintain their part of the bargain. Aside from the fact that it is expensive for us, the tragedy of the Algerian contract is that the Algerians themselves are the losers! They are cutting off their markets. It's become a symbolic issue for them. They would rather let themselves be burned on the Place de Greve [at the stake] than abjure!"

At any rate, the negotiations with the Dutch gave the GDF "a good lever" with which to attack the third Soviet contract. In early June Soyuzgazexport agreed to a gradual increase in the tonnage picked up by the GDF, a revision of the price schedule and a 7-percent drop in rates. Which represents a saving of 200 million francs in 1985. Because of this, the GDF is in the melee trying to

obtain "equivalent terms with equal services rendered" for the first two Soviet contracts. This week in Munich the 16th World Gas Congress should be an occasion to promote these talks with the USSR, France's third largest supplier.

"There is no longer anything left but the Algerian contract, alone, way up on top... and posted at crude prices," a GDF expert explained. Natural gas follows the evolution of oil prices with some lag. But the fact that its price is indexed to crude is disadvantageous for buyers because the refined products are comparatively cheaper. How long will Algiers be able to retain customers on these terms when the experts stick to predicting an increasing depression of oil markets until the end of the decade? "Already, Algeria no longer sells to the United States," the GDF explained. "And now Belgium and Spain are like us: incapable of swallowing Algerian gas at such a price."

But, to try to improve its finances (losses of 3 billion francs in 1984), despite its active lobbying with the ministers involved, the GDF is counting more on a falling dollar and oil prices than on a renegotiation of the Algerian contract (signed in 1982 for a period of 20 years). Furthermore, the GDF does not dare to hope that the "Algerian problem" will disappear in 1986 or 1988: "The opposition has indeed dribbled acid over the Algerian contract and promised that it would tear it up once it is in power. But we may doubt that...." What government — of the Left or of the Right — would in fact run the risk of straining Franco-Algerian relations at a time when the Americans are subsidizing the shipment of their surplus grain to this traditional buyer of French wheat?

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CSO: 3519/234

ENERGY

FRANCE

REPORT ON 16TH WORLD NATURAL GAS CONGRESS

USSR Lowers Prices

Paris LE MONDE in French 27 Jun 85 p 33

[Article by Veronique Maurus: "Drop in Soviet Gas Prices Will Permit a Saving of 900 Million Francs in 1985"]

[Text] The French Gas Company has succeeded in reaching agreement with the Soviet Union on revising two contracts for the delivery of natural gas signed in 1976 and 1980 which represent about 4 billion cubic meters a year. The Soviets have agreed to modify the formula for setting prices, which will mean a drop in prices and permit us to bring the purchase prices of these contracts into alignment with those of 1982, which were recently revised (about \$3.5 per million BTU). Greater flexibility in the rate of deliveries was also agreed on. "We have reached agreement on the three contracts," Mr Yuriy Baranovskiy, the president of Soyuzgazexport, the Soviets' sales organization, declared on Tuesday, 25 June. All told, purchases of Soviet gas by France amounted to 5 billion cubic meters last year and should come to 6.2 billion in 1986. The revision of the three Soviet contracts should make possible a total saving of some 900 million francs in 1985, or an average reduction on the order of 10 percent.

Munich—A record attendance of 3,600 people, some 50 nations and several hundred businesses represented at it: According to its organizers, the 16th World Gas Congress, which is being held in Munich from 24 to 27 June, is the biggest international conference ever devoted to that fuel. This is no accident since behind the technical reports and formal discussions lies concealed intense commercial activity. For a year now, the gas industry has in fact been going through a busy period of renegotiation of contracts. The Netherlands, the USSR, Norway, all the chief suppliers of Europe, with up to now the exception of Algeria, have been forced to agree to a revision of contracts signed at the end of the 1970's in order to take into account the new factors in the world gas market: a drop in oil prices and the worldwide demand for energy, increased competition from electricity, especially nuclear-generated, etc.

Most of the participants underlined the fact during the first 3 days of discussion: "The real challenge the gas industry is at present confronted with is

the market," declared Mr Klaus Liesen, the president of Ruhrgaz, the biggest buyer of European gas. Likewise, Mr Pierre Alby, the president of the French Gas Company, on Wednesday stressed the new competition from electricity of nuclear origin, particularly strong in France. To preserve the relativity of prices indispensable to the maintenance of gas' share of the market, we must "from this moment on" take into consideration "the price of electricity, itself strongly influenced by that of nuclear-generated electricity; this is neither a choice nor a calculation, but an actual fact which we cannot escape," he said. In fact on the fringe of the congress the French Gas Company, which arrived in force with one of the biggest delegations (80 people), has been multiplying contacts with its suppliers.

After having obtained from the Netherlands at the beginning of the year a revision of its contract, which will reduce the amount of its purchases by about 800 million francs this year, and then from the USSR the revision of its third Siberian gas contract, which will represent a saving of a little over 200 million francs in 1985, the state enterprise has succeeded in wringing new concessions from its Soviet suppliers. All told, all of these contract revisions combined should lower the cost of French Gas Company supplies by over 1.5 billion francs.

That leaves Algeria, which furnishes over a fourth of France's supply of natural gas and which for the moment seems not to be very inclined to open negotiations. According to the management of the French Gas Company, its prices are 25 percent higher (including shipping costs) than the new rates agreed on by the Netherlands and the USSR. And this even though the drop in the official prices of crude oil, to which Algerian gas is indexed, has since the beginning of the year involved a slight lowering of its rates (about 3.5 percent).

On the whole, the volume of French Gas Company supplies (25 billion francs in 1984) could sharply drop this year. If the dollar stays at its present level, they assure us in the French Gas Company delegation, it is not unlikely that the company can reduce its deficit from 3.2 billion francs to about 1 billion francs this year.

We are still far from the financial equilibrium the government desires; this would require either a drop in the exchange rate of the dollar to less than 9 francs or a new recouping of gas rates of 2.5 percent over the year.... Unless market conditions should become even more favorable.

If crude oil prices were to tumble to about \$22, the Algerian price formula would produce rates aligned with those of the Soviets and the Netherlands.

Algeria May Renegotiate Contracts

Paris LE MONDE in French 29 Jun 85 p 18

[Article by Veronique Maurus]

[Text] Munich--Is Algeria going to agree to renegotiate the sales prices in the natural gas contracts concluded with European buyers in the early 1980's?

For France, Algiers' biggest customer, which imports some 8 billion cubic meters a year, or about a third of its needs, the question is an important one: The Algerian gas surcharge, estimated by the French Gas Company at 25 percent in comparison with other gas imports, imposes on the company and on the French balance of payments a burden of over 2 billion francs a year. This question was on everyone's lips at the close of the 16th World Gas Congress, which was held in Munich from 24 to 27 June.

More and more isolated as its chief competitors on the European market agree to price revisions running from 7 to 10 percent as the case may be, Algeria did indeed in the course of the discussions appreciably give way on two points of its until then very rigid positions. On the one hand, Mr Nabi, the Algerian minister of energy, recognized the necessity of taking into consideration in the formulas for indexing gas prices the ultimate consumer and the competition from other energy sources (oil, coal, electricity, etc.). In his speech he expressed the opinion that, in view of the experience of the past few years, the question of prices "could be relegated to a position of secondary importance for the exporting countries," the priority problem henceforth being "the guarantee of a long-term contract between producers and consumers." In plain language, according to the professionals who were present, Algeria seems ready — at the times of the renegotiations of contracts scheduled for the end of 1985 and in 1986 with, in chronological order, Belgium, Italy and France — to adapt its price-setting formula to take into account the new market factors in order to preserve the contract volume of its sales. Mr Nabi even let it be understood during a press conference that a new formula might be found for transactions between SONATRACH [National Company for the Transport and Marketing of Hydrocarbons] and its commercial partners.

In any event, SONATRACH customers are firmly determined to review prices and to do so on purely commercial bases, whether it be France, which since last year has stopped financing the Algerian gas surcharge through budget credits, or Italy, whose government Mr Barbaglia, the president of the ENI [National Hydrocarbons Agency], assures us "does not this time intend to continue to grant a public contribution" to subsidize purchases of Algerian gas. "We will certainly talk about prices next year," declared Mr Alby, the president of the French Gas Company, who is, moreover, delighted to hear "the Algerian minister talk about the ultimate consumer for the first time." As for Mr Barbaglia, he assured us that the contracts concluded with Algeria will at the scheduled time (end of 1985) form the object of renegotiations.

Gas Market Undergoes Change

Paris LE MONDE in French 30 Jun 85 p 14

[Article by Veronique Maurus]

[Text] Price reductions ranging from 7 to 10 percent as the case may be, renegotiations of contracts raining down, all sorts of competitors, it's no exaggeration to say that in 3 years time the international gas market has completely reversed itself. Meeting

in Munich from 24 to 27 June for the first time since 1982, all chief protagonists of the gas stage -- six producing countries and seven consumers, themselves alone guaranteeing over three-fourths of all commercial transactions -- have amply demonstrated this.

Munich—First among our concerns is the necessity of taking into consideration during negotiations and in formulas for indexing prices the ever sharper competition of the other sources of energy: oil, of course, coal and also, more recently, nuclear-generated electricity, the growing importance of which has been emphasized at length. It is new: "Three years ago," Mr Pierre Alby, the president of the French Gas Company, noted, "only the big European buyers used this language; today everyone, even the producers, acknowledge it."

Necessity makes the rule. After 20 years of uninterrupted growth that we believed would continue to be exponential and during which only the concern for guaranteeing a reliable, long-term supply prevailed, the gas market was sharply restrained in the early 1980's. Today it is imploding under the pressure of a twofold competition: that of the other energy sectors, all the more active since the overall consumption of energy is only slightly rising, and that which has recently been exerted among the gas producers themselves to retain, and if possible increase, their share of a very uncertain market.

Relatively recently developed and still representing only 15 percent of world production (1.6 trillion cubic meters), the international gas trade thus now tends to react like a real market in which the concern for adapting oneself to the new conditions of the demand takes precedence over guaranteeing one's supply. Hence the accelerated revision of delivery contracts signed in Europe in the early 1980's and now exceeded, concerning which the congress provided an illustration since, side by side with its discussions, two important renegotiations resulted: one between the USSR and France and the other between the Netherlands and Italy.*

Price War

Even now, most of the contracts currently in effect in Europe, with the exception of those concluded with Algeria, are more or less aligned with a price of \$3.50 per million BTU, clearly lower than what it was even a year ago (about \$4), but still considerably higher than the average rates applied in the United States (\$2.75). The foreseeable evolution of oil products, to which gas rate schedules have been indexed most of the time, and that of the gas market properly speaking lead us to expect a period of stagnation, or even a new disintegration of these rates over the next few years.

* Thanks to an extension of 10 years, until 2003, the new contract concluded between the Netherlands and Italy provides for an alignment of prices with the new rates granted the other European countries by the Dutch company, Gasunie, and a reduction of from 6 to 4 billion cubic meters a year in the annual amounts delivered.

Even those producers who have up to now been the toughest, either, like Algeria, because they wanted to maximize utilization of their resources and amortize the big investments that had been made, or, like Norway, handicapped by very high production costs, have recently given way on their positions. The way the European market will in the end be divided up lies concealed behind this sort of price war.

This last has been sharply disputed. The contracts that are signed from now on will indeed leave a gap of 25 billion cubic meters after 1995, or roughly 10 percent of the total demand, for which five producers or groups of producers are competing with one another for the big buyers; in order of importance: Norway, Algeria, the countries of the Gulf of Guinea, Argentina (where very large reserves have just been discovered) and Canada, whose minister of energy stated during the congress: "We are going to try to penetrate the European market between now and the year 2000."

Not counting the Soviet Union, the biggest producer in the world, which has enormous production capacities but which is limited by West European consumers' concern over not depending on such a powerful supplier for over 25 percent of their needs. They are the only ones on the Old Continent capable of in time contemplating "spot" sales, that is, at random, to meet European needs at the end of the century if no new contract is signed a few years from now. After 1990 the Soviets will already be delivering some 55 billion cubic meters a year (as against 28 billion last year) to Western Europe, or about a fourth of the consumption anticipated at this date, the president of the Soviet export organization, Soyuzgazexport, declared. They obviously hope to exceed that. Starting with the next 5-year plan (1986-1990), Soviet gas production will outstrip that of oil, the Soviet official said. The trouble is that, for the moment, the Europeans are reticent. "It takes two lips to make a kiss," the president of Soyuzgazexport ambiguously assured us.

Soviets' Role

While waiting for their moment, the Soviets are busying themselves with lowering prices to eliminate potential new suppliers of Europe from the competition and playing a dominant role in the general movement for revision of contracts that has been observed in Europe. They were the first to propose a year ago, in connection with a specific sale, lower prices than those then applied in contracts and as a result drove the Dutch to accelerate the conclusion of new contracts at reduced prices with all their customers.

And this to the great displeasure of the Norwegians, who are currently trying to negotiate the sale of gas from the Troll deposit after 1995 and hope to capture some 25 percent of the European market in the 21st century. "The Norwegians are aware of the fact that new gas deliveries must be capable of withstanding the competition from other sources of energy. In comparison with the supply, competition from other suppliers — especially if their economic system is centralized and if market forces do not operate — could become much tougher," Mr. Kare Kristiansen, the Norwegian minister of oil and energy, declared.

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OCEAN/POLAR ISSUES

EUROPEAN AFFAIRS

NORTH POLE SEEN AS FUTURE ENERGY TRAFFIC HUB

Godthaab GRONLANDSPOSTEN in Danish 10 Jul 85 p 14

[Text] A number of French Polar researchers at a meeting in Paris were agreed that it will indeed be the North Pole which will be the next great traffic hub between the United States, Europe, the Soviet Union and the Far East.

The grounds for this assessment are, among other things, the large oil reserves in Alaska, the gas discoveries in Melville [Canada], iron in Labrador and uranium in southern Greenland, as well as coal on Svalbard and oil in the Barents Sea. There are also other natural resources to be found in the polar area.

All this contributes to leading the French Polar researchers to believe that the northern hemisphere will have a steadily increasing significance for the world economy.

Jean Malaurie, who is one of the best known French Polar researchers in Greenland, was one of the first to call attention to the idea that the North Pole area may become a sea route between the world's great markets, which may become equally as trafficked as the Mediterranean is today.

Malaurie said that what previously was a prospect for the far, far distant future is today something which is being concretely considered in international organizations. But because of the weather, this traffic will be undertaken not by ships, but by freight trains beneath the sea, something which the new technology will make possible to develop.

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ACID RAIN BEGINS TO THREATEN MAKEDONIA, ATTIKI

Athens TO VIMA in Greek 7 Jul 85 p 7

[Excerpts] After fires, the deadliest enemy of forests is called "acid rain." Millions of trees have already been condemned to death in Europe and the first problems have already begun in our country, in the forests of western Makedonia and in the areas of Mandra, Elefsina and Megara.

During a conference to be held in Athens on 24 August, the European foresters will express their concern about the acid rain phenomenon by providing numbers, data and proof.

According to the view -f Mr. Keys Moll, president of the Union of European Foresters, the forest wealth of the Old Continent is seriously threatened with extinction. In addition to the 1,100,000 stremmas [1,100 square kilometers] that are destroyed by fires each year (300,000 in Greece alone), thousands of stremmas also disappear because of "acid rain."

According to the data that are going to be presented during the conference, there have been destroyed during the past few years:

45 percent of West Germany's forests

35 percent of Belgium's and Austria's forests

28 percent of the forests of Yugoslavia and Switzerland

The percentage is still low in Greece (5 percent), but, according to the foresters' view, it will rise significantly in the coming years if the necessary measures are not taken.

As Mr. D. Kanellopoulos, vice president of the Union of European Foresters, told us:

"Very soon the smog will become acid rain and will destroy the forests of Attiki. Already the first symptoms have been observed in the wooded areas of Mandra, Elefsina and Megara. There is also a problem in the forests of Kozani, Kastoria and Khalkidiki.

"Recently there has been observed a disturbing phenomenon in Peloponnisos where

cypresses are literally disappearing. We do not yet know if it is due to acid rain or to some disease. Nevertheless, at this time enormous areas of cypresses have disappeared in Akhaia, Ileia, Arkadia and Messinia.

"On the acid rain matter, the Greek foresters propose to remedy it by placing filters in all industrial units. It is the only means for conservation. The measurements made by the forestry section of the Salonica University show that there is a problem already and it must be faced."

The president of the Union of European Foresters, Mr. Keys, just arrived in Athens last night. He has visited the areas striken by fire in recent years (such as Samos, Korinthos, Khalkidiki, Attiki) and believes that:

The Greeks fight fires alone, without any help from the EEC or any other European organization. It is inconceivable that there are casualties (as in Samos) because of a lack of proper equipment or ignorance of its use.

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September 5, 1985